

POOR LEGIBILITY

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**FOR SETTLEMENT PURPOSES ONLY
SUBJECT TO FRE 408 AND ITS EQUIVALENTS**

January 22, 2015

VIA EMAIL

Mark D. Plevin, Esq.
Crowell & Moring LLP
275 Battery Street, 23rd Floor
San Francisco, CA 94111

Re: Settlement Discussions Between Fireman's Fund Insurance Company (and affiliates) and Alex D. Moglia, Trustee of the chapter 7 estate of D/C Distribution, LLC

Dear Mark:

Our firm represents Alex Moglia, as trustee (the "Trustee") of the chapter 7 estate of D/C Distribution, LLC ("D/C"). The Trustee hereby consents to your request for a waiver of any conflict that you and your firm, Crowell & Moring, LLP ("C&M") may have arising from the fact that two asbestos defense lawyers that previously represented D/C, (Daniel Sharp and Douglas Sullivan) joined C&M in 2009. The Trustee's consent and waiver is based on our December 9, 2014 e-mail exchange and your prior e-mail to Joseph Frank on November 16, 2012. As we have agreed, I will be calling Messrs. Sharp and Sullivan to learn what they recall about their former representation of D/C.

Having resolved the conflict issue, we can provide responses to the questions previously posed by your November 5, 2012 email on behalf of your client, Fireman's Fund Insurance Company (and affiliates) (collectively, "FFIC"), as set forth below. This letter shall confirm our agreement that you, C&M, and FFIC will keep confidential all information and documentation being provided, including the charts of asbestos claims asserted by Brayton Purcell LP (the "Brayton Purcell Charts"), all of which are being provided in reliance upon that agreement of confidentiality.

Answers to FFIC's Queries

1. *Please provide the case number and jurisdiction for the Debtor's bankruptcy case.*

{MOGLIA/002/00041201.DOC/}

ANSWER: D/C's chapter 7 bankruptcy case is presently pending in the United States Bankruptcy Court for the Northern District of Illinois (Chicago), Case No. 07 B 12776.

2. *Please explain the relationship, if any, between the Debtor and Amfac, Inc. To the extent you can document that relationship, please provide me with such documentation. Please also provide an explanation, and documentation, regarding the Debtor's relationship with the other entities listed in the second paragraph of your letter (i.e., D/C Distribution Corp., Amfac Distribution Corp., and WDS, Inc.), as well as the relationship (if any) of those entities to Amfac, Inc.*

ANSWER: D/C (through its predecessor entities) was a wholly-owned subsidiary of Amfac, Inc. ("Amfac") from March 1970 until present. Please see company history with supporting documents (attached hereto as Group Exhibit A).

3. *Please advise whether the Debtor has any other insurance coverage that has responded, in the past or currently, to asbestos bodily injury claims against the Debtor and the status of any such insurance (e.g., is such insurance currently paying? Did it formerly pay but is now exhausted? Have there been any insurance settlements? etc.).*

ANSWER: The Trustee has notified other insurers of D/C's asbestos liabilities, but they have yet to defend or indemnify D/C.

In November 2000 thru August 2001, FFIC appointed defense counsel for D/C and its parent company, Amfac, regarding asbestos bodily injury claims. Correspondence with FFIC during the period is attached hereto as Group Exhibit B.

In June 2007, D/C (as successor by merger to Moran Supply) entered into an insurance settlement agreement with Moran Supply insurers Arrowpoint Capital Corp. (formerly Royal & SunAlliance US) and Royal Indemnity Company (as successor in interest via merger with American & Foreign Insurance Company) (collectively, "Royal"), regarding asbestos bodily injury claims against D/C as successor-in-interest to Moran Supply. A confidentiality provision in that agreement prevents D/C from disclosing the terms of the Royal settlement.

4. *Please provide information about all past, pending, and anticipated future asbestos bodily injury claims against the Debtor, including: the number of such claims; the jurisdictions in which such claims have been filed; the number of cases filed against the Debtor and resolved by the Debtor on an annual basis, and by jurisdiction and law firm asserting the claim; the diseases asserted in claims against the Debtor; the number of claims dismissed without payment, settled, and the subject of judgments, on an annual*

basis; financial information about past settlements by and judgments against the Debtor; and the number of anticipated future claims against the Debtor and the basis for any such projection.

ANSWER: Attached as Group Exhibit C are the Brayton Purcell Charts. They reflect 2,336 asbestos bodily injury claims asserted against D/C. These claims include 59 mesothelioma claims, 164 lung cancer claims, 119 claims relating to a cancer other than lung cancer ("Other Cancer Claims"), and 1,994 non-malignant asbestos-related disease claims.

We have color coded the Brayton Charts to highlight the claims within FFIC's period of insurance. Yellow reflects mesothelioma claims, green is lung cancer, blue reflects Other Cancer Claims, and white reflects non-malignant claims. Purple shows mesothelioma claims and cancer claims that fall outside FFIC's period of insurance.

FFIC provided primary layer coverage from at least March 31, 1963 thru March 31, 1966 and July 1, 1968 thru July 1, 1972. FFIC also provided first-layer excess coverage from at least October 11, 1968 thru July 1, 1970 and October 1, 1977 thru July 1, 1979. Finally, FFIC provided fourth, fifth or higher layer excess coverage from at least October 1, 1976 thru July 1, 1985.

The Brayton Purcell Charts show that among the claims asserted, at least 2,127 involve exposure dates triggering FFIC's coverage obligations. These claims include 54 mesothelioma claims, 132 lung cancer claims, 114 Other Cancer Claims, and over 1,800 non-malignant asbestos-related disease claims.

Finally, The Brayton Purcell Charts show that FFIC's primary layer alone is triggered by at least 49 mesothelioma claims, 94 lung cancer claims, 88 Other Cancer Claims, and over 1,200 non-malignant asbestos-related disease claims.

5. *Are there any settlements that the Debtor has entered into with asbestos claimants that have not been funded? If so, provide information on all such settlements. Does Debtor have any other claims that it would currently "present[] . . . for payment" as set forth in the third paragraph of your letter? If so, provide information regarding such claims and the reason that such claims are ripe for payment. Further, I assume that there is no current tort litigation involving the Debtor as a result of the automatic stay. Is that correct?*

ANSWER: The Trustee is not aware of any unfunded asbestos settlements. Please see attached Brayton Purcell Charts for claims ready for payment. There is no known active tort litigation pending against D/C because of the automatic stay.

6. *Please provide information about how asbestos bodily injury claims against the Debtor have been defended in the past (e.g., which law firms served as defense counsel; what arguments were typically made; did they provide their client and/or their client's insurers with annual or other periodic reports regarding their defense activities).*

ANSWER: Please see correspondence with FFIC, attached hereto as Group Exhibit B.

7. *To the extent the Debtor has been previously defending against asbestos claims, please explain why notice is just now being given to Fireman's Fund under the policies listed in your letter.*

ANSWER: Please see the correspondence with FFIC attached as Group Exhibit B, which shows notice to FFIC of D/C's asbestos bodily injury liabilities at least as early as October 2000.

8. *Please provide copies of the policies listed in your letter.*

ANSWER: Copies of the FFIC policies in the Trustee's possession are attached hereto as Group Exhibit D. In connection herewith, the Trustee requests that FFIC provide certified copies of all policies issued to or for the benefit of Amfac and/or any of its subsidiaries (including D/C), affiliates, successors or assigns.

Once you and FFIC have had an opportunity to review this information and documentation, please contact me to discuss this matter further. We look forward to working with you, again.

Very truly yours,

A handwritten signature in cursive script that reads "Dwight B. Palmer, Jr." followed by a small mark.

Dwight B. Palmer, Jr.,
Of Counsel to the Firm.

Enclosures

D/C DISTRIBUTION CORPORATION
a California corporation

FEDERAL IDENTIFICATION NUMBER

94-1718082

CORPORATE HISTORY

03/24/1970 Articles of Incorporation filed.
Name: WDS, Inc.

05/07/1970 Certificate of Amendment filed.
Name changed to Western Drug Supply, Inc.

03/22/1971 Certificate of Amendment filed.
Name changed to Amfac Distribution Corporation

08/20/1973 Certificate of Amendment filed.
Changing number of directors required and amending purpose.

08/27/1973 Restated Articles of Incorporation filed.
Changing authorized stock to 2,500 common no par value and changing
the number of directors to at least five no more than eight.

05/04/1989 Certificate of Amendment filed.
Changing number of directors to one.

05/14/1997 Certificate of Amendment filed.
Name changed to D/C Distribution Corporation

PURPOSE

Establishing, operating, and maintaining a business in pharmaceuticals, biologicals and specialties in both the pharmaceutical and biological fields.

On 08/20/1973, the purpose was amended to include sale and distribution of pharmaceutical, biological, electrical, industrial and plumbing supplies and products.

QUALIFICATIONS

State	Date	State Identification Number	Withdrawn
Alabama	07/07/1980		02/02/1993
Alaska	06/29/1972	46919-F	01/29/1993
Arizona	12/13/1973	F-0024150-6	
Arkansas	02/25/1981	CP00057137	11/05/1991
Colorado	05/11/1972		01/28/1993
Florida	05/19/1983	856498	11/15/1991
Georgia	05/19/1983	J350757	11/04/1991
Hawaii	01/07/1983	0007434F1	08/31/1998

D/C Distribution Corporation

State	Date	State Identification Number	Withdrawn
Iowa	08/14/1973		11/13/1991
Idaho	07/21/1972		01/28/1993
Illinois	05/29/1978		03/28/1990
Indiana	04/29/1980	198004-783	02/02/1993
Kansas	09/14/1973		04/16/1993
Kentucky	09/17/1979	0187216	11/14/1991
Louisiana	09/11/1973	30322680F	01/20/1994
Michigan	05/19/1983	602-211	03/11/1993
Mississippi	07/15/1981	528545	04/15/1993
Missouri	08/17/1973		02/10/1993
Montana	04/21/1975	F9861-217163	02/10/1993
Nebraska	08/16/1983		04/20/1993
Nevada	12/04/1970		02/02/1993
New Mexico	08/13/1973	0778480	09/16/1998
North Carolina	10/15/1982	0003429	02/23/1993
Ohio	09/17/1981	582209	12/13/1991
Oklahoma	08/14/1973		
Oregon	10/16/1970		02/08/1993
Pennsylvania	05/19/1983	772045	10/24/1997
Tennessee	12/13/1990	0035537	
Texas	12/30/1971	00032343-06	
Utah	01/18/1971	053494	05/09/1997
Washington	12/13/1990	328-038-602	12/31/1995
Wisconsin	09/06/1973	2A01406	02/03/1997
Wyoming	09/18/1975	198000132156	02/02/1993

STOCK INFORMATION

Authorized 2,500 common shares with no par value per share.

No.	Shares	Issue Date	Cancel Date	Shareholder
1	1,000	04/16/1970	05/07/1970	Amfac, Inc.
2	1,000	05/07/1970	03/22/1971	Amfac, Inc.
3	1,000	03/22/1971		Amfac, Inc.*
4	1,000	04/14/1971	04/15/1971	Amfac, Inc.

* Amfac, Inc. merged into Northbrook Corporation on 05/01/1995 with Northbrook becoming successor in interest.

ASSETS

Owns nine shares in Kaiser Ventures, Inc., a Delaware corporation (Certificate Number KV10754 dated 11/20/1998)

D/C Distribution Corporation

MERGERS

03/30/1971	Valley Electric Company of Ventura, a California corporation
04/14/1971	National Electric Supply Co., Inc., a California corporation
	• After this merger Amfac Distribution operated two divisions
	1) Amfac Electric Supply Co. and 2) Western Drug Supply Co.
12/31/1973	Pacific Drug Distributors, Inc., a Delaware corporation
07/16/1974	Arizona Power & Light Co., an Arizona corporation
06/11/1975	Aberdeen Electric Supply Corporation, a Washington corporation
12/18/1975	Palmer Supply Co., a Washington corporation
12/22/1975	Central Pipe and Supply Co., a Colorado corporation
06/16/1976	Moran Supply (Fresno), a California corporation*
06/16/1976	Moran Supply, a California corporation*
08/31/1978	Dupar Dynamics, Inc., a California corporation*
05/24/1979	Pioneer Plumbing Supply Co., an Arizona corporation
07/11/1979	Easter Supply of Lancaster, Inc., a Texas corporation
07/11/1979	Easter Supply of Allen, Inc., a Texas corporation
07/11/1979	Easter Plumbing Supply, Inc., a Texas corporation
08/31/1979	Allied Plumbing Supply Company, Inc., a Texas corporation
11/29/1979	Bellingham Supply Co., Inc., a Washington corporation
12/03/1979	Nix Supply Company of Tulsa, Inc., an Oklahoma corporation
12/03/1979	Nix Supply Company, an Oklahoma corporation*
12/13/1979	Edwards Supply Company, Inc., a California corporation
05/14/1980	Bindley Pharmaceutical Corporation, an Indiana corporation*
05/14/1980	E.H. Bindley & Company, Inc., an Indiana corporation*
08/19/1980	Amtext West Supply Co., Inc., a Texas corporation*
03/09/1981	Morlan Pipe & Supply, Inc., a California corporation*
04/14/1981	E.C. Wild, Inc., a Colorado corporation
05/15/1981	Hallmark Supply West, Inc., a Texas corporation
05/15/1981	Hallmark Supply North, Inc., a Texas corporation
05/15/1981	W.E. Hallmark Company, a Texas corporation
09/11/1981	Lord-Babcock, Inc., a California corporation
03/11/1982	San Joaquin Wholesale Electric Co., a California corporation
04/30/1982	MRO Group, Inc., a Texas corporation
05/20/1982	J&J Electric Supply, Inc., a Kansas corporation
05/20/1982	Allen Electrical Supply Co., Inc., a Kansas corporation
05/20/1982	Architectural Lighting, Inc., a Kansas corporation
05/20/1982	Active Electrical Distributors, Inc., a Delaware corporation
10/15/1982	W.J. Westerfield Co., Inc., a Louisiana corporation*
12/31/1982	The Wild Company of New Mexico, a Colorado corporation*
12/31/1982	Hawkins Supply Co., Inc., a Texas corporation*
06/14/1983	Connrex-Mosher Veterinary Services Company, a Delaware corporation*
06/14/1983	Holmes Serum Co., Inc., an Illinois corporation*

* These entities were wholly owned subsidiaries of Amfac Distribution Corporation

Note: In all cases of non-subsidiary corporation mergers, outstanding shares of such corporation were converted into shares of no par value common stock of Amfac, Inc.

D/C Distribution Corporation

PRINCIPAL PLACE OF BUSINESS

900 North Michigan Avenue
Chicago, Illinois 60611

REGISTERED AGENT

C T Corporation System
818 West 7th Street
Los Angeles, California 90017



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

0175218-9

02/06/2006

CORP. REPRESENTATIVE SERVICES I
900 N MICHIGAN AVE STE 1400
CHICAGO, IL 60611-0000

RE D/C DISTRIBUTION, LLC

DEAR SIR OR MADAM:

ARTICLES OF MERGER FOR THE ABOVE-NAMED COMPANY HAVE BEEN
PLACED ON FILE.

THE REQUIRED FEE IS HEREBY ACKNOWLEDGED.

SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
LIMITED LIABILITY COMPANY DIVISION
TELEPHONE (217)524-8008

JW:LLC

Form **LLC-37.25**
January 1999

Jesse White
Secretary of State
Department of Business Services
Limited Liability Company Division
Room 359, Howlett Building
Springfield, IL 62756
<http://www.sos.state.il.us>

Remit payment in check or money order,
payable to "Secretary of State."
Filing Fee is \$100, but if merger of more
than two entities, \$50 for each additional
entity.

Illinois
Limited Liability Company Act
Articles of Merger

SUBMIT IN DUPLICATE

Must be typewritten

This space for use by Secretary of State

Date 02/06/2006
Assigned File # 0175-2189
Filing Fee \$100.00
Approved: JL

This space for use by
Secretary of State

FILED
FEB - 6 2006
JESSE WHITE
SECRETARY OF STATE

1. Names of the entities proposing to merge, and the state or country of their organization:

Name of Entity	Type of Entity (Corporation Limited Liability Company, Limited Partnership, General Partnership or other permitted entity)	Domestic State or Country	Illinois Secretary of State File # (if any)
<u>D/C Distribution, LLC</u>	<u>Limited Liability Company</u>	<u>Illinois</u>	
<u>D/C Distribution Corporation</u>	<u>Corporation</u>	<u>California</u>	

2. The plan of merger has been approved and signed by each limited liability company and other entity that is to merge. If a corporation is a party to the merger, a copy of the plan as approved is attached to these articles of merger.

3. (a) Name of the surviving entity: D/C Distribution, LLC
- (b) Address of the surviving entity: 900 North Michigan Avenue Suite 1400 Chicago, Illinois 60611

4. Effective date of merger: (check one)
- a) ☒ the filing date, or
- b) ☐ a later date, but not more than 30 days subsequent to the filing date:

(month, day and year)

5. All limited liability companies that are parties to this merger and were on record with the Illinois Secretary of State prior to January 1, 1998, have elected in their operating agreements to be governed by the amendatory Act of 1997.

6. If the survivor is a limited liability company, stated below are changes that are necessary to its articles of organization by reason of this merger:

7. For the limited liability companies that are parties to the merger, complete the following:

Name of LLC	Jurisdiction	Organization Date	Date of Admission to Illinois (foreign LLC's)
D/C Distribution, LLC	Illinois		1/21/04

8. If the surviving entity is not a limited liability company, it agrees that it may be served with process in this State and is subject to liability in any action or proceeding for the enforcement of any liability or obligation of a Limited Liability Company previously subject to suit in this State which is to merge, and for the enforcement, as provided in this Act, of the right of members of any limited liability company to receive payment for their interest against the surviving entity.

9. The undersigned entities caused these articles to be signed by the duly authorized person, each of whom affirms, under penalty of perjury, that the facts stated herein are true.

1. Karen M. Ewing
(Signature)

Karen M. Ewing, Secretary
(Type or print name and title)

D/C Distribution Corporation
(Name if a corporation or other entity)

2. Paul C. Nielsen
(Signature)

Paul C. Nielsen, Senior Vice President of
(Type or print name and title)

Kaanapali Land, LLC, the sole member of
D/C Distribution, LLC
(Name if a corporation or other entity)

3. _____
(Signature)

(Type or print name and title)

(Name if a corporation or other entity)

4. _____
(Signature)

(Type or print name and title)

(Name if a corporation or other entity)

If additional space is needed, it must be continued in the same format on a plain white 8 1/2X11" sheet, which must be stapled to this form.

(Signatures must be in ink on an original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)

**PLAN AND AGREEMENT OF MERGER
MERGING
D/C DISTRIBUTION CORPORATION
WITH AND INTO
D/C DISTRIBUTION, LLC**

This Plan and Agreement of Merger, dated this 1st day of February, 2006, pursuant to Section 37.25 of the Illinois Limited Liability Act ("Illinois Law"), between D/C Distribution Corporation, a California corporation ("D/C California") and D/C Distribution, LLC, an Illinois limited liability company ("D/C Illinois") has been approved by Written Consent by its Board of Directors of D/C California on said date and approved by Kaanapali Land, LLC, a Delaware limited liability company ("Kaanapali"), holding all of the issued and outstanding shares of stock in D/C California and being the sole member of D/C Illinois.

- FIRST:** Pursuant to the provisions of the Illinois Law, D/C California shall be merged with and into D/C Illinois with D/C Illinois being the surviving entity (the "Merger"). The Merger shall become effective upon the filing of this Plan and Agreement of Merger in accordance with the Illinois Law (the "Effective Time"). At the Effective Time D/C Illinois shall continue its corporate existence as a limited liability company formed under the Illinois Law (sometimes hereinafter referred to as the "Surviving Entity"). The separate existence of D/C California shall cease at the Effective Time.
- SECOND:** The Articles of Organization of the Surviving Entity from and after the Effective Time shall be the Articles of Organization of D/C Illinois in effect immediately prior to the Effective Time and said Articles of Organization shall continue in full force and effect as provided under the Illinois Law.
- THIRD:** The operating agreement of the Surviving Entity from and after the Effective Time will be the operating agreement of D/C Illinois in effect immediately prior to the Effective Time and will continue in full force and effect until thereafter amended as provided herein and under the Illinois Law.
- FOURTH:** Until their successors are duly elected and shall have qualified, the officers and directors of D/C Illinois immediately prior to the Effective Time shall be the initial officers and directors of the Surviving Entity from and after the Effective Time.
- FIFTH:** Kaanapali presently owns 1,000 common shares with no par value per share of the 2,500 common shares D/C California is authorized to issue. Kaanapali owns all of the issued and outstanding shares of stock of D/C California. By virtue of

the Merger and without any action on the part of Kaanapali, all of D/c California's issued and outstanding shares of stock will cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.

SIXTH:

Each officer of D/C California and D/C Illinois are hereby authorized to execute and file a Articles of Merger on behalf of said corporations in conformity with the Illinois Law and the Board of Directors or the proper officers of D/C California and D/C Illinois are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger including, without limitation, the qualification of this Company to transact business as a foreign limited liability company in such jurisdictions he, she or they may deem advisable.

SEVENTH:


At and after the Effective Time, D/C Illinois shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all the restrictions, disabilities and duties of D/C California and all property real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to D/C California shall be vested in D/C Illinois; and all debts, liabilities, duties and obligations of D/C California shall thenceforth attach to D/C Illinois and may be enforced against D/C Illinois to the same extent as if said debts, liabilities, duties and obligations have been incurred or contracted by D/C Illinois in the same manner and to the same extent as enforceable against D/C California.

EIGHTH:

The Merger shall not be deemed to constitute an assignment or transfer to D/C Illinois of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in D/C Illinois without revision or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Plan and Agreement of Merger to be executed by their duly authorized officers this 1st day of February, 2006.

D/C Distribution Corporation
a California corporation



Gary Nickele
President

D/C Distribution, LLC
an Illinois limited liability company

By: Kaanapali Land, LLC
a Delaware limited liability company
the sole member



Paul C. Nielsen
Senior Vice President

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Honolulu

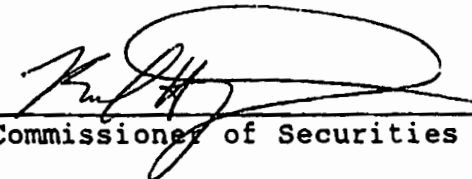
CERTIFICATE OF MERGER

I, KATHRYN S. MATAYOSHI, Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that pursuant to the Articles of Merger and Agreement and Plan of Merger of NORTHBROOK CORPORATION, a Delaware corporation, filed in this Department on May 1, 1995, in accordance with the provisions of Section 415-75 of the Hawaii Revised Statutes, AMFAC, INC., a Hawaii corporation, was merged with and into NORTHBROOK CORPORATION on May 1, 1995 at 10:20 a.m., Hawaiian Standard Time.

IN WITNESS WHEREOF, I have
hereunto set my hand and
affixed the seal of the
Department of Commerce and
Consumer Affairs, at Honolulu,
State of Hawaii, this 2nd day
of May, 1995.

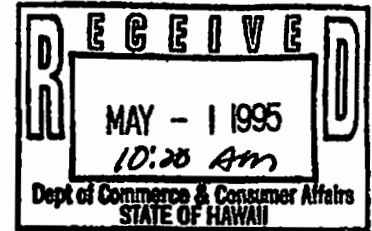


Director of Commerce and
Consumer Affairs

By 
Commissioner of Securities

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810

ARTICLES OF MERGER
(Subsidiary into Parent)
(Section 415-75, Hawaii Revised Statutes)



PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, duly authorized officers of the corporation submitting these Articles of Merger, certify as follows:

1. The name and state of incorporation of the parent or surviving corporation is:

Northbrook Corporation

(Type/Print Corporate Name)

Delaware

(State)

2. The name and state of incorporation of the merging or subsidiary corporation is:

Amfac, Inc.

(Type/Print Corporate Name)

Hawaii

(State)

3. The surviving corporation owns at least 90% of the issued and outstanding shares of the merging corporation.

4. The Plan of Merger is attached.

5. A copy of the Plan of Merger was mailed to all of the shareholders of the subsidiary corporation on

April 7 1995
(Month Day Year)

- 6.

Number of Outstanding Shares of the Subsidiary Corporation	Class/Series	Number of Outstanding Shares of the Subsidiary, owned by the Parent Corporation
1,050.75	common	1,000

7. The merger is effective on the date and time of filing or at a later date and time, no more than 30 days after the filing, if so stated. Check only one of the following statements:

☒ [X] Merger is effective on the date and time of filing.

☐ [] Merger is effective on _____, at _____,
Hawaiian Standard Time, which date is not later than 30 days after filing.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

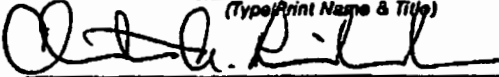
Witness our hands this _____ day of MAY 1 1995.

Parent or Surviving corporation: Northbrook Corporation

(Type/Print Corporate Name)

Chester A. Richardson, Senior Vice President

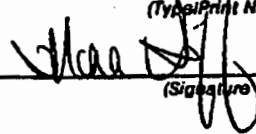
(Type/Print Name & Title)



(Signature of Officer)

Mona Sarnoff, Assistant Secretary

(Type/Print Name & Title)



(Signature of Officer)

(See Reverse Side For Instructions)

AGREEMENT AND PLAN OF MERGER

MERGING

AMFAC, INC.

WITH AND INTO

NORTHBROOK CORPORATION

* * * * *

This Agreement and Plan of Merger was approved on April 7, 1995 by Northbrook Corporation, a Delaware corporation ("Parent"), by resolution duly adopted by its Board of Directors on said date and was approved on said date by Amfac, Inc., a Hawaii corporation ("Amfac"), by resolution duly adopted by its Board of Directors on said date.

FIRST: Pursuant to the provisions of the Delaware General Corporation Law (the "Delaware GCL") and the provisions of the Hawaii Business Corporation Act (the "Hawaii Act"), Amfac shall be merged with and into Parent, with Parent being the surviving corporation (the "Merger"). The Merger shall become effective upon proper filing of a certificate of ownership and merger (the "Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") pursuant to the Delaware GCL and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA") pursuant to the Hawaii Act, respectively, or at such time thereafter as is provided in the Certificate of Ownership and Merger and the Articles of Merger (the "Effective Time"). At the Effective Time, Parent shall continue its corporate existence as a corporation formed under the laws of the State of Delaware (sometimes hereinafter referred to as the "surviving corporation"). The separate existence of Amfac shall cease at the Effective Time.

SECOND: The certificate of incorporation of the surviving corporation from and after the Effective Time shall be the Certificate of Incorporation, as amended, of Parent, in effect immediately prior to the Effective Time and said Certificate of Incorporation, as amended, shall continue in full force and effect as provided under the Delaware GCL.

THIRD: The by-laws of the surviving corporation from and after the Effective Time shall be the Amended and Restated By-Laws of Parent, in effect immediately prior to the Effective Time and said Amended and Restated By-Laws

shall continue in full force and effect as provided under the Delaware GCL.

- FOURTH:** Until their successors are duly elected and shall have qualified, the officers and directors of Parent immediately prior to the Effective Time shall be the initial officers and directors of the surviving corporation from and after the Effective Time.
- FIFTH:** At the Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Effective Time (other than shares of Amfac Common Stock held by Parent) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of Parent. Each share of Amfac Common Stock shall, by virtue of the Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than Parent) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Parent or (ii) pursuant to the Hawaii Act, dissent from the Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock.
- SIXTH:** At the Effective Time, each share of Amfac Common Stock issued and outstanding and held by Parent immediately prior to the Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Effective Time, shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.
- SEVENTH:** This Agreement and Plan of Merger may be terminated at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA, and the terms and conditions of this Agreement and Plan of Merger may be amended at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA.

EIGHTH: Each officer of Parent and each officer of Amfac are hereby authorized to execute and file the Certificate of Ownership and Merger pursuant to the Delaware GCL and the Articles of Merger pursuant to the Hawaii Act, on behalf of Parent and Amfac, respectively, and the Board of Directors and the proper officers of Parent and Amfac are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger.

NINTH: At and after the Effective Time, Parent shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all of the restrictions, disabilities and duties of Amfac and all property, real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to Amfac shall be vested in Parent; and all debts, liabilities, duties and obligations of Amfac shall thenceforth attach to Parent and may be enforced against Parent to the same extent as if said debts, liabilities, duties and obligations had been incurred or contracted by Parent in the same manner and to the same extent as enforceable against Amfac.

TENTH: The Merger shall not be deemed to constitute an assignment or transfer to Parent of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in Parent without reversion or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Agreement and Plan of Merger to be executed by their duly authorized officers on this 7th day of April, 1995.

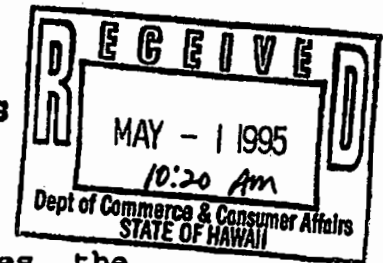
NORTHBROOK CORPORATION,
a Delaware corporation

By: 
Its: Senior Vice President

AMFAC, INC.,
a Hawaii corporation

By: 
Its: Senior Vice President

APPOINTMENT OF AGENT FOR SERVICE OF PROCESS
AND AGREEMENT TO PAY DISSENTING SHAREHOLDERS



Pursuant to Section 415-77, Hawaii Revised Statutes, the undersigned, duly authorized officers of Northbrook Corporation submitting this Appointment of Agent for Service of Process and Agreement to Pay Dissenting Shareholders, certify as follows:

1. This document is submitted in conjunction with certain Articles of Merger duly executed on MAY * 1 1995, concerning a merger of the corporation hereinafter set forth.

2. The name and state of incorporation of this corporation, as survivor of the aforementioned merger, is:

Northbrook Corporation, a Delaware corporation.

3. The name and state of incorporation of the merging corporation is:

Amfac, Inc., a Hawaii corporation.

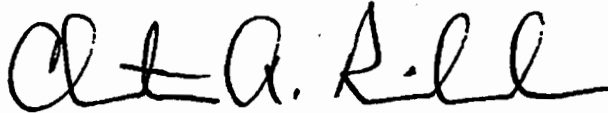
4. Northbrook Corporation, as survivor of the aforementioned merger, agrees that it may be served with process in the State of Hawaii in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger, and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against this corporation, as survivor, and this corporation, as survivor, irrevocably appoints Amfac/JMB Hawaii, Inc., as its agent to accept service of process in any such proceeding, whose address is 700 Bishop St., 21st Fl., Honolulu, HI 96813.

5. Northbrook Corporation, as survivor of the aforementioned merger, further agrees that it will promptly pay to the dissenting shareholders of any domestic corporation which is party to such merger, the amount, if any, to which they shall be entitled under the provisions of Chapter 415, Hawaii Revised Statutes, with respect to the rights of dissenting shareholders.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.


Executed this MAY 1 1995 day of ~~April~~ ^{May} 1995.

Surviving corporation: Northbrook Corporation.



Name: Chester A. Richardson
Title: Senior Vice President and
General Counsel

Attested by:




Mona Sarnoff
Title: Assistant Secretary

The undersigned hereby acknowledges the above-appointment to accept service of process.

Amfac/JMB Hawaii, Inc.

By


Its Assistant Secretary

Amfac-Merger\apptagt.agm

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"AMFAC, INC.", A HAWAII CORPORATION,

WITH AND INTO "NORTHBROOK CORPORATION" UNDER THE NAME OF "NORTHBROOK CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE FIRST DAY OF MAY, A.D. 1995, AT 12:30 O'CLOCK P.M.





Edward J. Freel, Secretary of State

AUTHENTICATION:

0854824 8100M
950281417

DATE: 7734429
12-04-95

19

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

AMFAC, INC.

WITH AND INTO

NORTHBROOK CORPORATION

NORTHBROOK CORPORATION (the "Company"), a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Certificate of Incorporation of the Company was filed in the office of the Secretary of State of the State of Delaware (the "Delaware Secretary of State") on the 26th day of May, 1978.

SECOND: That the Company owns at least ninety percent of the outstanding shares of common stock of AMFAC, INC. ("Amfac"), a Hawaii corporation incorporated on the 20th day of July, 1918, and Amfac has no other class of stock outstanding.

THIRD: That the sole director of the Company duly adopted the following resolutions of the Board of Directors on the 7th day of April, 1995 by consent in lieu of a meeting in accordance with the authority contained in § 141(f) of the General Corporation Law of the State of Delaware:

RESOLVED, that the Board of Directors deems it advisable for legitimate business purposes to merge Amfac, Inc., a Hawaii corporation ("Amfac"), with and into the Company (the "Amfac Merger") pursuant to § 253 of the General Corporation Law of the State of Delaware and § 415-75 of the Hawaii Revised Statutes; and

FURTHER RESOLVED, that the Amfac Merger shall become effective (the "Amfac Effective Time") upon the filing of a certificate of ownership and merger (the "Amfac Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA"), respectively, or at such time thereafter as is provided in the Amfac Certificate of Ownership and Merger and the Articles of Merger; and

FURTHER RESOLVED, that, at the Amfac Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Amfac Effective Time (other than shares of Amfac Common Stock held by the Company) shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of the Company, and each share of Amfac Common Stock shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than the Company) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Company or (ii) pursuant to the Hawaii Revised Statutes, dissent from the Amfac Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock; and

FURTHER RESOLVED, that, at the Amfac Effective Time, each share of Amfac Common Stock issued and outstanding and held by the Company immediately prior to the Amfac Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Amfac Effective Time, shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist; and

FURTHER RESOLVED, that the proposed Agreement and Plan of Merger, dated as of the date hereof (the "Agreement and Plan of Merger"), between the Company and Amfac is hereby recommended, approved and adopted, substantially in the form attached hereto as Exhibit A, with such changes therein as the officer of the Company executing such Agreement and Plan of Merger deems necessary and proper, and Chester A.

Richardson, Senior Vice President, is hereby authorized to enter into the Agreement and Plan of Merger by executing and delivering said Agreement and Plan of Merger with such changes therein as he may deem necessary and proper; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed to make and execute the Amfac Certificate of Ownership and Merger setting forth a copy of these resolutions authorizing the Amfac Merger and the date of adoption hereof and attaching the Agreement and Plan of Merger, and to cause the same to be filed with the Delaware Secretary of State and a certified copy recorded in the office of the recorder of the county in the Delaware in which the registered office of the Company is located; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed, on behalf of Amfac, to mail a copy of the Agreement and Plan of Merger to each shareholder of record of Amfac, except the Company, to obtain a waiver of the notice period pursuant to § 415-75 of the Hawaii Revised Statutes and to give notice to the shareholders of Amfac of the right to dissent from the Amfac Merger; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed, on behalf of Amfac, to make and execute the Articles of Merger setting forth the Agreement and Plan of Merger, the number of outstanding shares of each class of stock of Amfac and the number of outstanding shares of each class of stock of Amfac owned by the Company and the date of mailing of the Agreement and Plan of Merger to each shareholder of Amfac entitled to receive such Agreement and Plan of Merger, and to cause the same to be delivered for filing to the Hawaii DCCA; and

FURTHER RESOLVED, that the Board of Directors of the Company may amend the Agreement and Plan of Merger at any time prior to the filing of the Amfac Certificate of Ownership and Merger with the Delaware Secretary of State or the Articles of Merger with the Hawaii DCCA or may terminate the Amfac Merger at any time prior to the filing of the Amfac Certificate of Ownership and Merger with the Delaware Secretary of State or the Articles of Merger with the Hawaii DCCA; and

FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to do or cause to be done any and all such acts, and to make, file and record all documents required by law to qualify the Company to do business in any state in which such officer deems such qualification necessary and proper; and

FURTHER RESOLVED, that wherever in these resolutions any director or officer of the Company is authorized to take any action that he deems necessary, proper, advisable or required, the signing or execution by such director or officer of any instrument or the taking of any such action by him shall be conclusive evidence that he deems the same to be necessary, proper, advisable or required; and

FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to do or cause to be done any and all such acts and things and execute and deliver any and all documents and papers as they may deem necessary or appropriate to carry out the purposes of the foregoing resolutions.

IN WITNESS WHEREOF, Northbrook Corporation has caused this Certificate of Ownership and Merger to be executed and attested this 1st day of May, 1995.

NORTHBROOK CORPORATION

By:


Chester A. Richardson
Senior Vice President

ATTEST:

By:


Mona Samoff
Assistant Secretary

EXHIBIT**AGREEMENT AND PLAN OF MERGER****MERGING****AMFAC, INC.****WITH AND INTO****NORTHBROOK CORPORATION**

* * * * *

This Agreement and Plan of Merger was approved on April 7, 1995 by Northbrook Corporation, a Delaware corporation ("Parent"), by resolution duly adopted by its Board of Directors on said date and was approved on said date by Amfac, Inc., a Hawaii corporation ("Amfac"), by resolution duly adopted by its Board of Directors on said date.

- FIRST:** Pursuant to the provisions of the Delaware General Corporation Law (the "Delaware GCL") and the provisions of the Hawaii Business Corporation Act (the "Hawaii Act"), Amfac shall be merged with and into Parent, with Parent being the surviving corporation (the "Merger"). The Merger shall become effective upon proper filing of a certificate of ownership and merger (the "Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") pursuant to the Delaware GCL and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA") pursuant to the Hawaii Act, respectively, or at such time thereafter as is provided in the Certificate of Ownership and Merger and the Articles of Merger (the "Effective Time"). At the Effective Time, Parent shall continue its corporate existence as a corporation formed under the laws of the State of Delaware (sometimes hereinafter referred to as the "surviving corporation"). The separate existence of Amfac shall cease at the Effective Time.
- SECOND:** The certificate of incorporation of the surviving corporation from and after the Effective Time shall be the Certificate of Incorporation, as amended, of Parent, in effect immediately prior to the Effective Time and said Certificate of Incorporation, as amended, shall continue in full force and effect as provided under the Delaware GCL.
- THIRD:** The by-laws of the surviving corporation from and after the Effective Time shall be the Amended and Restated By-Laws of Parent, in effect immediately prior to the Effective Time and said Amended and Restated By-Laws

shall continue in full force and effect as provided under the Delaware GCL.

FOURTH: Until their successors are duly elected and shall have qualified, the officers and directors of Parent immediately prior to the Effective Time shall be the initial officers and directors of the surviving corporation from and after the Effective Time.

FIFTH: At the Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Effective Time (other than shares of Amfac Common Stock held by Parent) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of Parent. Each share of Amfac Common Stock shall, by virtue of the Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than Parent) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Parent or (ii) pursuant to the Hawaii Act, dissent from the Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock.

SIXTH: At the Effective Time, each share of Amfac Common Stock issued and outstanding and held by Parent immediately prior to the Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Effective Time, shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.

SEVENTH: This Agreement and Plan of Merger may be terminated at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA, and the terms and conditions of this Agreement and Plan of Merger may be amended at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA.

- EIGHTH:** Each officer of Parent and each officer of Amfac are hereby authorized to execute and file the Certificate of Ownership and Merger pursuant to the Delaware GCL and the Articles of Merger pursuant to the Hawaii Act, on behalf of Parent and Amfac, respectively, and the Board of Directors and the proper officers of Parent and Amfac are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger.
- NINTH:** At and after the Effective Time, Parent shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all of the restrictions, disabilities and duties of Amfac and all property, real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to Amfac shall be vested in Parent; and all debts, liabilities, duties and obligations of Amfac shall thenceforth attach to Parent and may be enforced against Parent to the same extent as if said debts, liabilities, duties and obligations had been incurred or contracted by Parent in the same manner and to the same extent as enforceable against Amfac.
- TENTH:** The Merger shall not be deemed to constitute an assignment or transfer to Parent of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in Parent without reversion or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Agreement and Plan of Merger to be executed by their duly authorized officers on this 7th day of April, 1995.

NORTHBROOK CORPORATION,
a Delaware corporation

By: [Signature]
Its: Senior Vice President

AMFAC, INC.,
a Hawaii corporation

By: [Signature]
Its: Senior Vice President



A491982

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY 14 1997



Bill Jones

Secretary of State

27

A491982

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

MAY 12 1997

**CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION**

Chester A. Richardson and Karen M. O'Mahoney certify:

Bill Jones
BILL JONES, Secretary of State

1. That they are Vice President and Assistant Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted by written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the Board to so act.

RESOLVED, that Article One of the Articles of Incorporation is amended to read as follows:

"One: The name of the corporation is
D/C Distribution Corporation."

3. That Northbrook Corporation, the sole shareholder and owner of all of the outstanding capital stock of said corporation adopted said amendment by written consent and that the wording of the resolution set forth in the written consent of shareholders is the same as that set forth in the directors' resolution in paragraph 2. above.

4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment of Articles of Incorporation this 8th day of May, 1997.

Chester A. Richardson

Chester A. Richardson
Vice President

Karen M. O'Mahoney

Karen M. O'Mahoney
Assistant Secretary

CT CORPORATION SYSTEM

208 South LaSalle Street
Chicago, IL 60604
Tel. 312 345 4324
Fax 312 263 3928

May 20, 1997

Karen O'Mahoney
Northbrook Corporation
900 N. Michigan Avenue
12th Floor
Chicago, Illinois 60611

Re: D/C Distribution Corporation (CA)

Dear Karen:

Enclosed is evidence of the Certificate of Amendment of the Articles of Incorporation for the above named company in the state of California.

We appreciate this opportunity to be of service.

Very truly yours,



Tina L. Pershinske
Associate Customer Specialist

tlp

Enclosure(s)



State of California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAY 5 1989



March Fong Eu

Secretary of State

A36 '46

ENDORSED
FILE
in the office of the Secretary of State
of the State of California

CERTIFICATE OF AMENDMENT OF
RESTATED ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION

MAY 4 1989

MARCH FONG EU, Secretary of State

Chester A. Richardson and Doris E. Anderson certify:

1. That they are Senior Vice President and Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted by unanimous written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the directors to so act:

RESOLVED, That the Restated Articles of Incorporation of Amfac Distribution Corporation be amended as follows:

Paragraph (a) of ARTICLE FIVE is hereby amended to read as follows:

"The number of directors of this corporation shall be one (1)."

3. That Amfac, Inc., the sole shareholder and owner of all of the outstanding capital stock of said corporation adopted said amendment by written consent and that the wording of the resolution set forth in the written consent of shareholders is the same as that set forth in the directors' resolution in paragraph 2. above.


4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

IN WITNESS WHEREOF, The undersigned have executed this Certificate of Amendment of Articles of Incorporation this 7th day of April, 1989.



Chester A. Richardson
Senior Vice President



Doris E. Anderson
Secretary

STATE OF CALIFORNIA



OFFICE OF THE SECRETARY OF STATE

I, **EDMUND G. BROWN JR.**, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the **RECORD** on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

AUG 20 1973



Edmund G. Brown Jr.
Secretary of State

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

AUG 20 1973

EDMUND G. BROWN, Secretary of State

By JAMES E. HARRIS
Deputy

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION

C. E. S. Burns, Jr. and Barbara Gittins certify:

1. That they are Vice-President and Assistant Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted effective August 10, 1973 by unanimous written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the directors to so act.

"RESOLVED that the Articles of Incorporation of Amfac Distribution Corporation be amended as follows:

A. Paragraph (a) of ARTICLE TWO is hereby amended to read as follows:

(a) Primarily to engage in the specific business of selling and distributing pharmaceutical, biological, electrical, industrial and plumbing supplies and products;

B. Paragraph (a) of ARTICLE FIVE is hereby amended to read as follows:

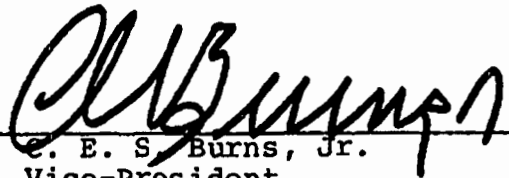
(a) The number of directors of this corporation shall be not less than five (5) nor more than eight (8), the exact number of which shall be fixed by a bylaw duly adopted by the shareholders or by the Board of Directors."

3. That Amfac, Inc., the sole stockholder and owner of all of the outstanding capital stock of said corporation


adopted said amendment by written consent effective August 10, 1973 and that the wording of the resolution set forth in the written consent of stockholders is the same as that set forth in the directors' resolution in paragraph 2. above.

4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment of Articles of Incorporation this 13th day of August, 1973.



E. E. S. Burns, Jr.
Vice-President



Barbara Gittins
Assistant Secretary

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

C. E. S. Burns, Jr. and Barbara Gittins, being first duly sworn, depose and say that they have read the foregoing Certificate of Amendment of Articles of Incorporation and that the matters set forth therein are true of their own knowledge.

C. E. S. Burns, Jr.

Barbara Gittins
Barbara Gittins

Subscribed and sworn to before me this 14th day of August, 1973.

Robert S. Weathersford
Notary Public, First Judicial
Circuit, State of Hawaii

My Commission Expires: December 27, 1974

STATE OF CALIFORNIA



OFFICE OF THE
SECRETARY OF STATE

(PHOTOCOPY CERTIFICATION)

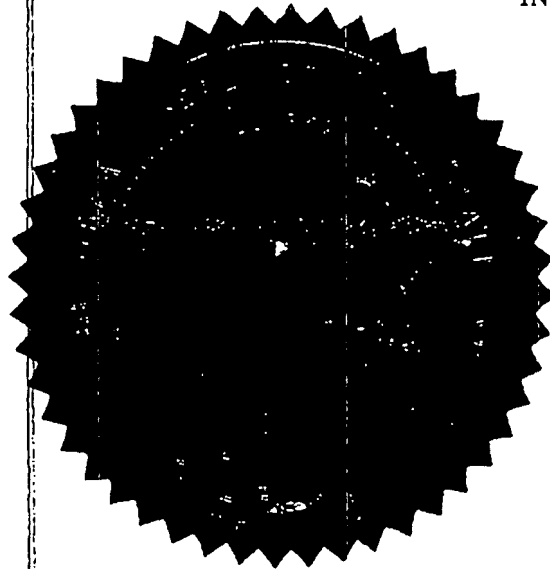
I, *EDMUND G. BROWN JR.*, Secretary of State of the State of California,
hereby certify:

That the photographic reproduction hereunto annexed was prepared by
and in this office from the record on file of which it purports to be a copy,
and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAR 2 2 1971

Edmund G. Brown Jr.
Secretary of State



FILED
In the office of the Secretary of State
of the State of California

MAR 22 1971

EDMUND S. BROWN, Jr., Secretary of State
By *David M. [Signature]*
Deputy

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
WESTERN DRUG SUPPLY, INC.

R. A. VAN ORSDEL, JR., and DANIEL A. CURRY certify:

1. That they are the Vice President and the Secretary, respectively, of Western Drug Supply, Inc., a California corporation.

2. That at a meeting of the Board of Directors of said corporation, duly held at Honolulu, Hawaii on March 8, 1971, the following resolution was adopted:

RESOLVED, that Article One of the Articles of Incorporation of this corporation be amended to read as follows:

"ARTICLE ONE

The name of this corporation is AMPAC
DISTRIBUTION CORPORATION."

3. That the shareholders have adopted said amendment by written consent and the wording of the amended Article, as set forth in the shareholders' written consent, is the same as that set forth in the directors' resolution in Paragraph 2

STATE OF CALIFORNIA



DEPARTMENT OF STATE

To all whom these presents shall come, Greetings:

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.

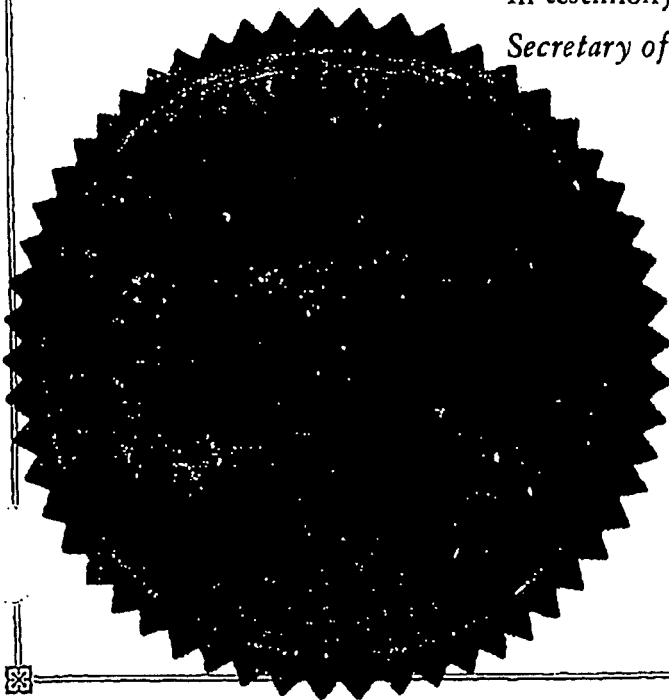
In testimony whereof, I, FRANK M. JORDAN, Secretary of State, have hereunto caused the Great Seal of the State of California to be affixed and my name subscribed, at the City of Sacramento, in the State of California,

MAR 25 1970

this.....

Frank M. Jordan
Secretary of State

By *W. H. Allen*
Assistant Secretary of State



ARTICLES OF INCORPORATION
OF

W D S, INC.

**ENDORSED
FILED**

In the office of the Secretary of State
of the State of California

MAR 24 1970

FRANK M. JORDAN, Secretary of State
By David A. Westman
Deputy

ARTICLE ONE

The name of this corporation is:

W D S, INC.

ARTICLE TWO

The purposes for which this corporation is
formed are:

- (a) Primarily to engage in the specific business of establishing, operating and maintaining a business in pharmaceuticals, biologicals and specialties in both the pharmaceutical and biological field;
- (b) To engage in any business, related or unrelated, to that described in clause (a) of this ARTICLE TWO and from time to time authorized or approved by the Board of Directors of this corporation;
- (c) To act as partner or joint adventurer, or in any other legal capacity in any transaction;
- (d) To have and exercise all rights and powers from time to time granted to a corporation by law.

The foregoing clauses shall be construed both as objects and purposes, and as powers, and it is hereby expressly provided that the foregoing enumeration of independent and specific objects and purposes shall not be held to limit or restrict the powers of the corporation.

ARTICLE THREE

The principal office in the State of California for the transaction of business of this corporation is located in the County of Sacramento, State of California.

ARTICLE FOUR

This corporation is authorized to issue only one class of shares of stock. The total number of shares which this corporation is authorized to issue shall be One Thousand (1,000), and all of said shares shall be without par value.

ARTICLE FIVE

- (a) The number of directors of this corporation shall be three (3).
- (b) The names and addresses of the persons who are appointed to act as first directors of the corporation are:

E. Lewis Reid	Crocker Plaza Montgomery at Post San Francisco, California
---------------	--

Joseph J. Carter	Crocker Plaza Montgomery at Post San Francisco, California
------------------	--

Richard G. Hildreth	Crocker Plaza Montgomery at Post San Francisco, California
---------------------	--


ARTICLE SIX

The stock of the corporation and the holders thereof shall not be subject to assessment. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

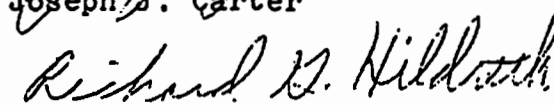
ARTICLE SEVEN

No stockholder shall be entitled as a matter of right to subscribe for or receive additional shares of any class of stock of the corporation whether now or hereafter authorized, or any bonds, debentures or other securities convertible into stock, but such additional shares of stock or other securities convertible into stock may be issued or disposed of by the board of directors to such persons and on such terms as in its discretion it shall deem advisable.

IN WITNESS WHEREOF, we the undersigned, for the purposes of forming this corporation under and in pursuance of the general corporation law of the State of California, and the act amendatory thereof and supplemental thereof, and constituting the incorporators of this corporation and being the persons named hereinabove as the first directors of this corporation hereby declaring and stating that the facts stated are true, have executed these Articles of Incorporation this 20th day of March, 1970.


E. Lewis Reid

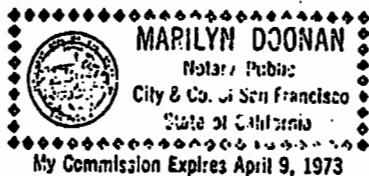

Joseph J. Carter


Richard G. Hildreth

STATE OF CALIFORNIA)
) SS:
CITY AND COUNTY OF SAN FRANCISCO)

On this xxix day of March, 1970, before me
a Notary Public in and for the City and County of San Fran-
cisco, State of California, duly commissioned and sworn,
personally appeared E. LEWIS REID, JOSEPH J. CARTER, and
RICHARD G. HILDRETH, known to me to be the persons whose
names are subscribed to the foregoing Articles of Incorporation
and acknowledged to me that they executed the same.

WITNESS my hand and official seal.



Marilyn Doonan
NOTARY PUBLIC



October 20, 2000

Kathleen Barrett
Claims Manager
FIREMAN'S FUND INSURANCE COMPANY
Sears Tower
233 South Wacker Drive, Suite 2200
Chicago, IL 60606

Re: Alameda County Superior Court Action #828495-0
Alice Ann Cox, et al. v. Amfac, Inc., dba: D/C Distribution

Policy Nos. : L1329023 (7/01/68 to 7/01/69)
LC1655700 (7/01/69 to 7/01/70)
Our File No. : 24104

Dear Ms. Barrett:

As you are aware from previous correspondence, we are independent claims administrators working on behalf of Amfac, Inc. and its various subsidiaries.

Amfac was served with the attached suit papers recently, but we do not know the exact date of service. We have referred this file to Roger Greenbaum at Folger, Levin & Kahn in San Francisco, and he has filed a Response Pleading on behalf of Amfac.

D/C Distribution, aka: Amfac Distribution, formally tenders defense of this case to your office and requests that you defend and hold them harmless according to your policies of insurance issued to Amfac Corporation.

Personal Privacy

D/C Distribution and its alternate entities allegedly supplied asbestos-containing products to job-sites where the deceased worked, or to his ex-employers.

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984



Kathleen Barrett/Fireman's Fund
October 20, 2000
Re: Cullen v. D/C Distribution
Our File No.: 24104
Page Two

Please confirm in writing within ten days that your company will defend, indemnify, and hold-harmless D/C Distribution and also confirm in writing your receipt of this tender.

We look forward to hearing from you in the very near future. Please do not hesitate to call either myself or Roger Greenbaum if you have any questions.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC,
Assistant Manager
(510) 633-5655

MC:kjh

Enclosure: 1. San Francisco County Superior Court Action No. 315105

cc: Lance Taylor
Claims Department
AMFAC, INC.

✓ cc: Roger A. Greenbaum
FOLGER, LEVIN & KAHN, LLP

Fireman's Fund
Insurance Company

November 2, 2000



Mike Churchich, CPCU, AIC
Assistant Manager
Acclamation Insurance Management Services
7901 Oakport Street, Suite 3100
Oakland, CA 94621

Re: *Oxford v. A.P. Green Industries, Inc.*
Insured: Amfac Corp.
Claim Number: 520 97 480244

Dear Mr. Churchich:

Fireman's Fund Insurance Company hereby acknowledges your request that we defend D/C Distribution aka Amfac Distribution Corp. in the matter entitled *Oxford v. A.P. Green Industries, Inc., et al.*, San Francisco County Superior Court case number 314462. Plaintiffs in that action seek damages for exposure to asbestos.

You have made the tender of defense pursuant to Fireman's Fund policies LC1655700 and L 1329023. While Fireman's Fund is aware of the prior policy, the company has no record of any policy bearing the number L 1329023. The insured bears the burden of establishing the existence of insurance applicable to any particular claim. Unless you can supply some documentary evidence confirming the existence and terms of L 1329023, we must decline to defend D/C under that policy.

With regard to LC 1655700, Amfac, Inc. is the named insured under that policy. You have represented that D/C was a subsidiary of Amfac, Inc.

Based upon your representation, Fireman's Fund agrees to defend D/C under a reservation of rights described more fully below. We must ask, however, for some documentary evidence of the subsidiary relationship between D/C and Amfac, Inc. Fireman's Fund reserves its right to withdraw from the defense of D/C absent such evidence.

Fireman's Fund expressly reserves any and all rights it may have under the terms of the policy or under the laws of the State of California. Fireman's Fund specifically reserves its right to file a declaratory relief action seeking a determination of its rights and obligations under the policy.

The company also reserves its right to withdraw from the defense of this litigation in the event that facts demonstrate that there is no potential coverage for claims against your client, or in the event that the applicable limits of coverage are exhausted. In addition, Fireman's Fund expressly reserves its right to seek reimbursement of some or all of the defense costs incurred on behalf of your client pursuant to *Buss v. Superior Court* (1997) 16 Cal.4th 35 and other applicable California law.

Major Case Units
Environmental Claims Facility
777 San Marin Drive
Novato, CA 94948-3400

Allianz Group

Mr. Mike Churchich
Re: Oxford v. A.P. Green Industries, Inc.
November 2, 2000
Page 2

Fireman's Fund has taken this position based upon the information currently available. It has reviewed plaintiffs' complaint, the LC 1655700 policy, and the other documents at our disposal. If there are further materials which you believe are relevant to the question of coverage, we would be pleased to consider them as well.

Personal Privacy

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Personal Privacy

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Amfac, Inc. was insured under the Fireman's Fund policy between July 1, 1969 and July 1, 1973. The policy provided coverage for "bodily injury . . . caused by occurrence. . . ." The term occurrence was defined to mean "an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury and personal injury or property damage neither expected nor intended from the standpoint of the insured. . . ." Fireman's Fund reserves the right to deny coverage for the *Oxford* claim on the grounds that no bodily injury occurred during the time the Fireman's Fund policy was in effect.

The limits of coverage provided by the policy changed over time. Fireman's Fund reserves the right to maintain that the damages sought by plaintiffs constituted a single occurrence subject to a single limit of coverage. Moreover, based on endorsements to the policy, those limits may include amounts spent on the cost of defense. In addition, the *Oxford* claim may be subject to a \$25,000 deductible to be paid by or on behalf of D/C.

Personal Privacy

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A review of the complaint also reveals that D/C is charged with intentional misconduct as well as negligence. Under California law, there is no coverage for intentional wrongdoing.

Given the nature of the reservation of rights described in this letter, we do not currently believe that there is an actual conflict of interest between Fireman's Fund and your client. In the absence of such conflict, Fireman's Fund retains the right to control the defense of the litigation. We have assigned the defense of D/C to Kenneth Prindle, Esq. of the law firm of Prindle, Decker & Amaro. Mr. Prindle can be reached at 415-788-8354. His offices are located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Please ensure that the representatives of D/C and/or its corporate successors cooperate fully with Mr. Prindle and his colleagues.

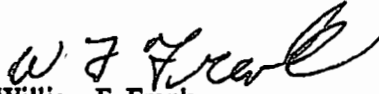
Mr. Mike Churchich
Re: Oxford v. A.P. Green Industries, Inc.
November 2, 2000
Page 3

The specific grounds of reservation set forth in this letter are not intended to be an exhaustive list of the rights of Fireman's Fund. Fireman's Fund reserves the right to supplement the bases for reservation or denial of coverage as additional information and material becomes available. As indicated above, Fireman's Fund also expressly reserves its right to withdraw from the defense and to seek reimbursement for any costs or fees incurred in D/C's defense if the facts, the law and evidence warrant such actions.

By continuing with this investigation, or by undertaking any other action which Fireman's Fund deems necessary, the company does not waive any defense to coverage it may have, whether asserted here or not. Again, if you believe that any aspect of this claim has been overlooked, or if you have any additional factual materials you would like us to consider, please contact us immediately.

If you believe that any part of this claim has been wrongfully denied or rejected, you may have the matter reviewed by the California Department of Insurance at 1-800-927-HELP. You may also write to the California Department of Insurance, Claims Service Bureau, 11th Floor, 300 South Spring Street, Los Angeles, California 90013.

Sincerely,


William F. Frank
Senior Litigation Analyst
Direct Dial: (415) 899-3696
Fax: (415) 899-3663

cc: Mr. Lorenzo Bracy
JMB Realty
900 North Michigan Ave.
Chicago, Ill 60611-1575

J. Christopher Bennington, Esq.

CARON, CONSTANTS & WILSON

Attorneys at Law

Chicago, Illinois
Rutherford, New Jersey
Dallas, Texas

500 North Brand Boulevard
Suite 400
Glendale, California 91203

Tel: (818) 547-6503
Fax: (818) 547-6582

J. Christopher Bennington
Direct Dial: (818) 547-6525

November 20, 2000

VIA FAX (312) 915-2310 & U.S. MAIL

Mr. Lorenzo Bracy
JMB Realty
900 North Michigan Avenue
Chicago, Ill 60611-1575

Re: *Amfac Asbestos Cases*
Claim No.: 520 97 480244

Dear Mr. Bracy:

As you will recall, this office represents Fireman's Fund Insurance Company with regard to the coverage issues raised by the various asbestos suits filed against Amfac Corporation and its claimed subsidiaries and successors-in-interest. I have tried to contact you several times in the last week or so, but unfortunately I have not been able to speak with you.

There are a number of matters that I would like to address with you. First, Fireman's Fund has determined to retain the services of Kenneth Prindle of the law firm of Prindle, Decker & Amaro to represent the Amfac entities, at least in those matters venued in northern California. Mr. Prindle's firm is located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Mr. Prindle can be reached at 415-788-8354.

The Prindle firm has extensive experience in handling asbestos claims, and Fireman's Fund believes that Mr. Prindle and his colleagues are able to defend the various claims against the Amfac entities in an efficient and consistent manner. Under the terms of the relevant policy, LC 1655700, and under the provisions of California law, Fireman's Fund retains the right to control the defense of these lawsuits.

We understand that the claims administrator for Amfac has directed some of the lawsuits to the firm of Folger, Levin & Kahn. We would ask that you assist Fireman's Fund in transferring those cases from the Folger firm to Mr. Prindle's office.

If you have some objections to the employment of the Prindle firm, we would ask that you raise those objections promptly.

Lorenzo Bracy, Esq.
Re: Amfac Asbestos Cases
November 20, 2000
Page 2

Second, in accepting the defense of various Amfac entities in several of the cases, we have asked for documentation of the corporate relationship between Amfac and those entities for which you have claimed coverage. We would reiterate our request for some documentation concerning those relationships. Such documentation is essential because many of the entities for which you seek coverage are nowhere mentioned in the Fireman's Fund policy or the policy endorsements.

Third, we have asked that Amfac and its related entities provide information about other insurance which might prove applicable to the claims which have been raised. We would renew that request, and ask for a full written exposition of all liability policies, both primary and excess, which were issued to Amfac, any of its subsidiaries, or any of its predecessors and successors-in-interest, and which were in effect at any time from at least the 1940s to the present. Some of the claims raised against Amfac involve exposures to asbestos that date back 50 years or more. Any such policies would potentially be triggered by those claims.

We realize that you have retained the services of an insurance archeologist to try and reconstruct Amfac's insurance history. Pending completion of that investigation, we would ask for a written interim report so that we can tender appropriate claims to other potentially responsible carriers.

We look forward to hearing from you at your earliest convenience. If you have any questions or comments, please feel free to call at any time.

Very truly yours,

CARON, CONSTANTS & WILSON



J. Christopher Bennington

cc: Mr. William F. Frank



November 21, 2000

Lance D. Taylor
Legal Department
AMFAC, Inc.
900 No. Michigan Ave., Suite 1700
Chicago, IL 60611-1575

RE: **Personal Privacy**



Dear Mr. Taylor:

This will supplement our November 8 initial report. Please see the attached Reservation of Rights letter from William Frank at Fireman's Fund, along with a copy of our response. His company has appointed Kenneth Prindle to handle defense.

Exactly where does this leave Folger, Levin and Kahn? Are they to continue to handle this case on behalf of Amfac Inc. personally? Are we to continue paying their invoices for any work past approximately 11/2/00? Please advise.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC,
Assistant Manager
(510) 633-5655

Enclosure: 1) November 2 Reservation of Rights Letter - Fireman's Fund
2) Letter to Fireman's Fund
3) Letter to Kenneth Prindle

✓ cc: Lorenza Bracy

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984





November 21, 2000

Kenneth Prindle
Prindle, Decker and Amaro
369 Pine Street, Suite 800
San Francisco, CA 94104

RE: Kenneth Oxford vs. Amfac, Inc.
Our File : 24103

Dear Mr. Prindle:

We are independent claims administrators working on behalf of Amfac, Inc. and D/C Distribution. William Frank at Fireman's has referred defense of this case to your office on their behalf.

Please note that Amfac, Inc. has already retained the law firm of Folger, Levin and Kahn, 275 Battery Street, 23rd Floor, San Francisco, California 94111, telephone (415) 986-2800, Attention: Roger Greenbaum. Please do not hesitate to contact him to coordinate defense activity.

With Mr. Frank's permission, I will also appreciate being placed on your permanent mailing list for reports, and other routine correspondence on this and any other Amfac asbestos case referred to your office. It is our duty to monitor these cases on behalf of Amfac, Inc., and this can be most efficiently done via copies of your correspondence. Thank you in advance for your anticipated cooperation.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC, Assistant Manager
(510) 633-5655

cc: Lance Taylor
cc: Lorenzo Bracy
✓ cc: William Frank

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984





November 21, 2000

William F. Frank, Senior Litigation Analyst
Fireman's Fund Insurance Company
Major Cases Unit
Environmental Claims Facility
777 San Marin Drive
Novato, CA 94998-3400

RE: **Personal Privacy**

Dear Mr. Frank:

This will acknowledge receipt of your November 2 Reservation of Rights letter, which unexpectedly only made it to our office today.

Per your request, attached are copies of notice/tender letters to Amfac's excess carriers.

We've also forwarded a copy of your November 2 letter to Amfac and to Roger Greenbaum at Folger, Levin and Kahn. Via copy of this letter we are requesting Mr. Greenbaum coordinate defense activities with Kenneth Prindle.

Thank you for your help in this matter.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC, Assistant Manager
(510) 633-5655

cc: Lance Taylor
cc: Lorenzo Bracy
cc: Kenneth Prindle

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984



cc: Roger Greenbaum
Folger, Levin and Kahn
Embarcadero Center West
275 Battery Street, 23rd Floor
San Francisco, CA 94111
Matter No.: 11100-9134

BPS: Dear Roger:

Please note on page 2 of this letter that Fireman's Fund has assigned defense of the case to Kenneth Prindle at Prindle, Decker and Amaro. Please coordinate with him.

Mike Churchich

DEC. 19. 2000 2:37PM

CARON CONSTANTS

NO. 2471 P. 2

CARON, CONSTANTS & WILSON

Attorneys at Law

Chicago, Illinois
Rutherford, New Jersey
Dallas, Texas500 North Brand Boulevard
Suite 400
Glendale, California 91203Tel: (818) 547-6503
Fax: (818) 547-6582J. Christopher Bennington
Direct Dial: (818) 547-6525

December 19, 2000

By U.S. Mail and Facsimile Transmission 213-623-0824

Vernon Thomas Meador III, Esq.
Weston, Benshoof, Rochefort, Rubalcava & MacCuish, LLP
444 South Flower Street, Forty-Third Floor
Los Angeles, CA 90071Re: Amfac Asbestos Cases
Insured: Amfac Corporation
Policy No.: LC 1655700
Our File No.: DS105-1419

Dear Mr. Meador:

This letter is written in response to your correspondence of December 14, 2000. You have objected to the appointment of counsel selected by Fireman's Fund to defend the various asbestos claims brought against Amfac, its subsidiaries, and its claimed successors-in-interest. You insist that the decision of Fireman's Fund to reserve its right to deny coverage for intentional torts alleged against your clients has given rise to a conflict of interest. You argue that such conflict justifies the appointment of independent or "Cumis" counsel to defend the Amfac entities.¹

Fireman's Fund must disagree with your position. The company must also insist on exercising its contractual right to control the defense of these cases, at least until such time as you can demonstrate, or even suggest, the existence of a "significant" and "actual" conflict of interest.²

¹ I use the term "Amfac entities" to described all of those parties that have sought coverage under policy LC 1655700. Use of the term in no way constitutes an admission on behalf of Fireman's Fund that all such parties are, in fact, entitled to benefits under that policy. For example, Fireman's Fund is still investigating the issue of Northbrook's right to seek coverage under the policy issued to Amfac.

² *Dynamic Concepts, Inc. v. Truck Insurance Exchange* (1998) 61 Cal.App.4th 999, 1007.

DEC. 19. 2000 2:37PM

CARON CONSTANTS

NO. 2471 P. 3

Vernon Thomas Meador III, Esq.
 Re: Amfac Asbestos Cases
 December 19, 2000
 Page 2

Your position presumes that *any* reservation of rights based on intentional versus negligent conduct necessarily precipitates a conflict requiring the appointment of independent counsel. The law in California will not support such an expansive reading of Civil Code section 2860.³

To begin with, the language of the statute is permissive, not mandatory. Section (b) of the statute provides that "when an insurer reserves its rights on a given issue and the outcome of that coverage issue can be controlled by counsel first retained by the insurer for the defense of the claim, a conflict of interest *may* exist."

The court in *Dynamic Concepts* pointed to this language in rejecting the insured's "proposed per se rule requiring the appointment of independent counsel whenever a carrier issues a so-called 'global reservation of rights ...'"⁴ It noted that subdivision (b) of section 2860 "uses the permissive 'conflict of interest may exist,' rather than the mandatory 'shall.' It does not clearly state when the right to an independent counsel vests."⁵

The *Dynamic Concepts* court also noted that by employing permissive language in section 2860, the Legislature rejected *dicta* in *Cumis* which would have made appointment of independent counsel more mechanical or automatic. The court wrote:

"In this regard Civil Code section 2860 overruled dicta in *San Diego Federal Credit Union v. Cumis Insurance Society, Inc.* The Legislature declined to adopt the absolutist view that insurers appointed defense counsel will only offer token resistance to claims that fall outside a policy's coverage terms or limits or will steer the defense in a direction more favorable to the insurer."⁶

The reason for rejecting such an "absolutist" view is readily apparent. Under the provisions of Insurance Code section 533, carriers may not indemnify their insureds against "a

³ You and your client apparently agree that there is no conflict, and no basis for the appointment of independent counsel, created by the other reservations set forth in the letters issued by Fireman's Fund. In specific, Fireman's Fund has reserved its rights to deny coverage for damage occurring outside the policy term, and to deny liability for damages exceeding the limits of coverage provided by the policy. Fireman's Fund also reserves the right to challenge whether the policy provides coverage for the sundry entities claiming to be subsidiaries or successors-in-interest to Amfac.

⁴ These reservations point up another error in your letter. You assert that Fireman's Fund has admitted that claims of premises and product liability against Amfac "are fully covered." There is coverage for those claims only to the extent that they meet the terms of the policy, and to the extent that limits remain to respond to those claims. Fireman's Fund in no way concedes that such claims "are fully covered" in all circumstances or for all time.

⁵ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007.

⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007.

⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007, fn. 5.

limits
 INDEMNITY-
 DEFENSE:

DEC. 19. 2000 2:37PM

CARON CONSTANTS

NO. 2471 P. 4

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 3

loss caused by the wilful act of the insured"⁷ This prohibition is implied into every contract of insurance issued in California.⁸ Thus, there is at least an implied reservation of rights against indemnifying an insured for willful injury every time a carrier defends that insured against a claim of intentional tort. Under your view of the law, every allegation of intentional tort would give rise to a conflict of interest and the concomitant appointment of independent counsel.

I am unaware of any authority which would support such a broad reading of section 2860. And if the law were so expansive, it would invite collusion between insureds and claimants. Claimants would be encouraged to pursue questionable claims of intentional tort so that independent counsel would be appointed who could bring added pressure on the carrier to make a settlement favorable to the claimant. The law does not countenance such collusion.

In contrast to the rigid position you espouse, the California rules concerning the appointment of independent counsel are realistic and flexible. The courts have made it clear that "not every reservation of rights creates a conflict of interest,"⁹ and "not every conflict of interest triggers an obligation on the part of the insurer to provide the insured with independent counsel at the insurer's expense."¹⁰

Rather, the need for independent counsel must be assessed on a case-by-case basis. "The potential for conflict requires a careful analysis of the parties' respective interests to determine whether they can be reconciled . . . or whether an actual conflict of interest precludes insurer-appointed defense counsel from presenting a quality defense for the insured."¹¹

The key to determining the existence of a conflict sufficient to justify independent counsel is "whether the retained attorney in fact [is] subject to the conflicting forces which gave rise to *Cumis*."¹² Independent counsel is only required in those situations where the insurance counsel has "an incentive to attach liability to the insured."¹³

⁷ Similarly, Civil Code section 1668 provides that "[a]ll contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law."

⁸ *J.C. Penney Casualty Insurance Co. v. M.K.* (1991) 52 Cal.3d 1009, 1019.

⁹ *Blanchard v. State Farm Fire & Casualty Co.* (1991) 2 Cal.App.4th 345, 350.

¹⁰ *Golden Eagle Insurance Co. v. Foremost Insurance Co.* (1993) 20 Cal.App.4th 1372, 1394.

¹¹ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007-1008.

¹² *Gulf Insurance Co. v. Berger, Kahn, Shafon, Moss, Figler, Simon & Gladstone* (2000) 79 Cal.App.4th 114, 131, quoting from *Native Sun Investment Group v. Ticor Title Insurance Co* (1987) 189 Cal.App.3d 1265, 1277-1278.

¹³ *Gulf Insurance Co. v. Berger, Kahn, supra*, 79 Cal.App.4th 114, 131, citing *Blanchard, supra*, 2 Cal.App.4th 345, 350.

DEC. 19. 2000 2:38PM

CARON CONSTANTS

NO. 2471 P. 5

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 4

There is no such incentive in the present case. As noted in our prior correspondence, the establishment of intentional concealment or other misconduct against Amfac in no way acts to eliminate its potential liability as a product distributor or as a premises owner.

Given the latency of the asbestos disease processes, a plaintiff could well allege that at the time of his first exposure, Amfac was merely negligent in distributing an asbestos-containing product. That plaintiff might also allege that Amfac later became aware of the dangers presented by asbestos and acted in concert with other defendants to conceal those dangers. However, the allegation of this later concealment in no way changes Amfac's potential liability for its original claimed negligence.

Thus, these cases against Amfac present no incentive for Mr. Prindle or any other counsel selected by Fireman's Fund to violate their ethical obligation to "[present] a quality defense for the insured."¹⁴ Absent that incentive, there is no basis for the appointment of independent counsel.

This is especially clear where the claims of intentional misconduct on the part of Amfac are made through the use of boilerplate language in mass-produced complaints. There are no allegations particular to Amfac. Amfac's alleged misconduct, and the conflict it supposedly engenders, are at best "vague, ephemeral and highly theoretical."¹⁵

As noted in our prior correspondence, the appointment of independent counsel is not required unless the conflict is "significant, not merely theoretical, actual, not merely potential."¹⁶ There is no actual conflict at the present time. There is certainly no requirement that Fireman's Fund appoint independent counsel "pending a further analysis of the *Cumis* issue."¹⁷

The burden of establishing a conflict sufficient to justify the appointment of independent counsel rests with the insured. Amfac would be required to show "in what specific way the defense attorney could have controlled the outcome of the damage issue to [its] detriment, or had incentive to do so."¹⁸

If you have any evidence or argument which would suggest such an incentive on the part of appointed defense counsel, we would be glad to review it. But we have seen no evidence or indication of an actual conflict thus far.

¹⁴ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007-1008.

¹⁵ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1009.

¹⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1006. See, also, *Lehto v. Allstate Insurance Co.* (1994) 31 Cal.App.4th 60, 71, and *Gulf Insurance Co. v. Berger, Kahn, supra*, 79 Cal.App.4th 114, 130.

¹⁷ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1006.

¹⁸ *Blanchard, supra*, 2 Cal.App.4th 345, 350.

DEC. 19. 2000 2:38PM

CARON CONSTANTS

NO. 2471 P. 6

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 5

In the absence of an actual and significant conflict, Fireman's Fund retains the right to control the defense of these cases. It holds the right to select defense counsel. In exercising that right, it has chosen Kenneth Prindle to defend the Amfac entities. Fireman's Fund will expect your clients to cooperate with Mr. Prindle in the defense of these matters. To that end, we would ask that Amfac take steps to insure that the transfer of the files from the Folger firm to Mr. Prindle's office begins no later than Friday, January 12, 2001.

If Amfac wishes to select its own counsel to associate with Mr. Prindle's firm, it has every right to do so. However, the cost of such counsel must be borne by Amfac alone.

We look forward to your response.

Very truly yours,

CARON, CONSTANTS & WILSON


J. Christopher Bennington

cc: Mr. William F. Frank

JAN 18 2001 11:51AM

CARON CONSTANTS

NO. 2897 P. 2

CARON, CONSTANTS & WILSON

Attorneys at Law

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January 18, 2001

U.S. Mail and Facsimile Transmission to 213-623-0824

Vernon Thomas Meador III, Esq.
Weston, Benshoof, Rochefort, Rubalcava & MacCuish, LLP
444 South Flower Street, 43rd Floor
Los Angeles, CA 90071

Re: Amfac Asbestos Cases

Dear Mr. Meador:

I take this opportunity to confirm some of the topics of our discussion last week concerning the various Amfac asbestos cases. Among other things, we discussed the selection of defense counsel for those cases venued in California, and resolution of the *Ledesma* matter.

Let me begin with the issue of defense counsel. As you know, Fireman's Fund has selected Kenneth Prindle of Prindle, Decker & Amaro to act as defense counsel for Amfac and its various subsidiaries and successors. To date, your principal has been directing the asbestos cases to the Folger firm.

You inquired as to whether or not Fireman's Fund would be willing to agree to continue using the Folger firm as defense counsel so long as they abide by the attorney fees restrictions imposed by Civil Code section 2860. I indicated that my client would not be willing to use the Folger firm. As I indicated, there have been reports that Mr. Greenbaum has developed an antagonism with some of the plaintiffs attorneys in these cases, and that the bad blood has caused settlement and defense costs to escalate. The recently settled *Perkins* case is apparently a good example of the problem.

As noted in our earlier correspondence, absent a significant and actual conflict between the parties, Fireman's Fund retains the right to control the defense and assign defense counsel. Fireman's Fund has selected Mr. Prindle.

You asked for another couple of weeks to discuss the issue of defense counsel with your client. While we have no objection to your request, your client must understand that Mr. Prindle stands ready to defend the various cases. Fireman's Fund will not be reimbursing Amfac for costs incurred by the Folger firm during this period of time. I would also ask that you instruct

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Vernon Thomas Meador III, Esq.
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the Folger firm to make the files available for review by Mr. Prindle and his associates. There is no reason to delay their chance to review these matters so that they can be "up to speed" if and when your client agrees for the transfer.

Let me turn to the *Ledesma* matter. As I indicated to you on the telephone, I believe that Fireman's Fund has an obligation to reimburse your client for a portion of the costs incurred in defending and settling this matter. However, Fireman's Fund is only obligated to indemnify Amfac for that portion of the damage which occurred while Fireman's Fund was on the risk. Fireman's Fund will also have a pro rata share of defense costs.

In order to resolve this matter as quickly as possible, it is essential that we work together to recreate the Amfac insurance history as far back as possible. To date, we have sketchy information dealing primarily with excess coverage. It should be our goal to determine all primary and excess coverage available to Amfac going back at least as far as the end of the war.

Given the exposure to Northbrook in cases such as *Ledesma*, we should also make an effort to recreate Northbrook's own insurance history. At this point, I have no information whatsoever about the Northbrook carriers.

I would appreciate an update from you about the status of the "archaeological" investigation currently underway. As I mentioned to you, I had a discussion with Mr. Bracy many months ago. He told me that Northbrook/JMB had retained the services of an insurance archaeologist to try and recreate the Amfac insurance history. Has a report been prepared? Has the investigation been concluded?

You also mentioned that you would like to arrange for a meeting in the relatively near future. I think that would be of benefit to all concerned. Mr. Frank, my client's claims representative, will join us if we can find a mutually convenient date. I believe any such meeting should include a discussion of the defense counsel issue, though I would expect and hope that the decision to transfer the files to Mr. Prindle will have been made by that time. I think we should also plan to discuss the insurance history issues and to try and estimate the ultimate number of asbestos claims and the potential exposure to Amfac.

I look forward to hearing from you at your convenience.

Very truly yours,

CARON, CONSTANTS & WILSON


J. Christopher Bennington

JCB:ea

cc: Mr. William F. Frank

JAN 19 '01 18:13

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WESTON BENSHOOF
ROCHEFORT RUBALCAVA MACCUISH LLP
ATTORNEYS AT LAW

Direct Dial: (213) 312-2829
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January 29, 2001

VIA FACSIMILE and U.S. MAIL
(818) 547-6582

J. Christopher Bennington, Esq.
Caron, Constants & Wilson
500 North Brand Boulevard
Suite 400
Glendale, CA 91203

Re: *Oxford v. A.P. Green Industries, Inc.*
Insured: Amfac Corp.
Your Claim No.: 520-97-480244

Dear Mr. Bennington:

We are in receipt of your letter dated January 18, 2001, concerning some of the defense counsel issues in the above-referenced matter, as well as a letter dated November 2, 2000, from William Frank on behalf of Fireman's Fund. We respond to both letters more fully below.

Amfac, Inc. was insured under the Fireman's Fund policy (No. LC 1655700) from July 1, 1969 until July 1, 1973, when it was canceled by Amfac. In Mr. Frank's recent correspondence, he raised the issue of whether the above-referenced claim might be "subject to a \$25,000 deductible." He also indicated that Fireman's Fund believed that the policy limits might be reduced by "amounts spent on the cost of defense." Based upon our review of the policy language including all of the endorsements, we respectfully disagree with your contentions and set forth below our reasoning.

Fireman's Fund's liability is neither conditioned upon nor reduced by payment of any deductible amount. The subject policy did not contain a deductible until July 1, 1972. [See, Endorsement No. 33.] As a result, any claims which trigger coverage for the period July 1, 1969 through July 1, 1972, no deductible exists. Since the *Oxford* claim involved

covered occurrences which took place prior to the effective date of the deductible endorsement, neither Amfac nor any other insured is responsible to satisfy such deductible amounts with respect to this claim. Your contention that payments made by Fireman's Fund to defend the *Oxford* claim will reduce the limits of liability is without merit for several reasons.

First, there is nothing in the body of the policy which supports such a position. In fact, the opposite is true. Under Section III of the policy (entitled "Limits of Liability") no reference whatsoever is made to reducing the limits of liability by the amounts expended in fulfilling Fireman's Fund's "duty to defend any suit against the Insured seeking damages on account of such Bodily Injury, Personal Injury or Property Damage even if any of the allegations of the suit are groundless, false or fraudulent." Additionally, Section V of the subject policy (entitled "Supplementary Payments") also belies the carrier's position in this regard. Under that section, Fireman's Fund agreed to pay "in addition to the applicable limit of liability . . . all expenses incurred by the Company . . . in any suit defended by the Company." [See, Section V (a).] Note well that the highlighted language remained part of the policy despite revisions to Section V as set forth in Endorsement No. 32 (also effective July 1, 1972).

The deductible language contained in Endorsement 33 is ambiguous and, therefore, will be construed against imposing any deductible amount for any part of the *Oxford* claim. The endorsement provides, in relevant part:

DEDUCTIBLE: \$25,000, shall be deducted from the total amount, including all expenses as defined, of all sums which the Insured shall be legally obligated to pay as the result of one occurrence.

Interestingly, neither the Endorsement nor the policy provides a definition for the term "expenses" and, therefore, cannot be deemed to include defense costs. Additionally, the modifier "all sums which the Insured shall be legally obligated to pay" supports the position that defense costs do not reduce the applicable limits of liability. The policy specifically and expressly provides that the deductible amount, if applicable, is only deducted from the amount Amfac is legally obligated to pay, as opposed to defense costs which Fireman's Fund (not Amfac) is legally and contractually obligated to pay.

J. Christopher Bennington, Esq.
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By expressly reserving Fireman's Fund's purported right to "seek reimbursement of some or all of the defense costs incurred on behalf of [Amfac]" as well as your invocation of *Buss v. Superior Court* (1997) 16 Cal.4th 35, coupled with the proposed counsel to be appointed by the insurer, creates a conflict of interest requiring the appointment of independent counsel under California Civil Code § 2860.

The court in *Dynamic Concepts, Inc. v. Truck Ins. Exchange* (1998) 61 Cal.App.4th 999, 71 Cal.Rptr.2d 882, recognized the possibility that a conflict of interest may be created by virtue of an insurer's reservation of the right to seek reimbursement of defense costs. The court also noted, without deciding, "whether an insurer may be estopped from seeking reimbursement from its insured for the defense costs of uncovered claims when it insists upon appointed counsel rather than allowing the insured to control the defense, with its accompanying control and oversight over defense fees and costs." *Id.* at 1008, n. 6. In other words, Fireman's Fund cannot have its cake and eat it too.

In order for Fireman's Fund to reserves its right to be reimbursed for defense costs for uncovered claims, it must relinquish control over the defense as well as any right it might have to appoint counsel. If Fireman's Fund insists on retaining its reservation of the right to seek reimbursement and retaining complete control over the selection of counsel and defense of the action, Amfac is prejudicially placed in the untenable position of facing the possibility of having to reimburse Fireman's Fund for costs over which it had no control. However, as set forth in your letter of November 2, Fireman's Fund expressly "retains the right to control the defense of the litigation" and have "assigned the defense of D/C to Kenneth Prindle" of the firm of Prindle, Decker & Amaro."

The incongruity which exists between reserving the right to seek reimbursement and retaining complete control of the defense creates a conflict of interest sufficient to trigger Fireman's Fund's obligation to provide Amfac with independent counsel. Further, by insisting on appointing an insurance defense firm which currently represents other suppliers and distributors in a number of asbestos actions involving Amfac and related entities, Fireman's Fund has created a different and more disturbing conflict of interest. Because of this clear conflict of interest, the Prindle firm should not represent Amfac's interests in the underlying litigation.

As noted by the court in Gulf Ins. Co. v. Berger, Kahn, Shafton, Moss, Figler, Simon & Gladstone (2000) 79 Cal.App.4th 114, 93 Cal.Rptr.2d 534, "[a] disqualifying conflict exists if 'insurance counsel had . . . incentive to attach liability to [the insured].' [Citation] 'The test is whether the conflict "precludes the insurer-appointed defense counsel from presenting a quality defense for the insured.'" Id. at 131. Here, the Prindle firm would have incentive to attach liability to Amfac (as opposed to other suppliers and distributors they represent). There also exists a tremendous incentive for the Prindle firm, as well as Fireman's Fund, to attempt to shift Amfac's liability from covered to uncovered claims and to segregate defense costs in such a way as to attribute a greater percentage of fees and costs to uncovered claims.

Although we are not privy to whether or not Fireman's Fund requires the Prindle firm to abide by litigation guidelines promulgated by the insurer, we note that the court in Dynamic Concepts, supra,

"question[ed] the wisdom and propriety of so-called 'outside counsel guidelines' by which insurers seek to limit or restrict certain types of discovery, legal research, or computerized legal research by outside attorneys they retain to represent their insured where there is a potential for an uncovered claim. Some guidelines go so far as to call for the use of paralegals, rather than attorneys, to respond to 'routine' discovery requests or prohibit the retention of experts or the filing of certain pretrial motions until shortly before trial. Under no circumstances can such guidelines be permitted to impede the attorney's own professional judgment about how best to competently represent the insureds."

In your letter of January 18, you make two statements which are not supported by California insurance law. First, you state that during the time when the parties are deciding whether the Prindle firm can properly represent Amfac's interests, "Fireman's Fund will not be reimbursing Amfac for costs incurred by the Folger firm." Having formally acknowledged a duty to fund the defense of the underlying action, Fireman's Fund cannot properly withhold such funds unless and until Amfac agrees to a particular legal point with is in dispute. Such an ultimatum clearly violates several regulations contained in

California's Fair Claims Settlement Regulations contained in Title 10 of the California Code of Regulations. Similarly, your effort to unilaterally limit Fireman's Fund's defense obligations to a "pro rata share of defense costs" violates California law.

In Horace Mann Ins. Co. v. Barbara B., 4 Cal.4th 1076, 17 Cal.Rptr.2d 210, 846 P.2d 792 (1993), the California Supreme Court expressly stated that "an insurer has a duty to defend the *entire third party action* if any claim encompassed within it potentially may be covered." Id. at 1084. Similarly, the court held in Haskel, Inc. v. Superior Court, 33 Cal.App.4th 963, 39 Cal.Rptr.2d 520 (1995), if an insurer "owes *any* defense burden, it must be *fully borne* [by that insurer] with allocations of that burden among other responsible parties to be determined later." Id. at 976, n. 9. In fact, one of the carriers in Haskel attempted to limit its defense obligations to a 13% share of the costs. The court treated that effort "as the equivalent of a defense denial," commenting that "[s]uch a unilateral limitation of its responsibility is not justified." Id. The same holds true here. Fireman's Fund cannot acknowledge a potential for coverage and a duty to defend and then unilaterally re-write it's policy to limit its obligation to provide a defense to the entire action by accepting only a 20% share of that burden.

The facts of this case are closely analogous to those confronted by the court in County of San Bernardino v. Pacific Indemnity Co., 56 Cal.App.4th 666, 65 Cal.Rptr.2d 657 (1997). In that case, Pacific Indemnity had provided the County of San Bernardino with primary CGL insurance for more than 25 years (from 1947 through 1972). When those policies terminated, the County did not obtain replacement coverage, but instead chose to insure itself on a primary level.

During the time Pacific's policies were in effect and continuing after their expiration, the County operated a landfill. More than a decade after Pacific's policies had expired, owners of land adjacent to the landfill filed lawsuits against the County seeking recovery of property damage caused by toxic fumes emitted from the site. The County tendered the defense of the underlying action to Pacific which provided a defense under a reservation of rights and demanded that the County, as "self-insured," pay a portion of its own defense costs.

The County sued Pacific seeking a declaration that a potential for coverage existed, thereby triggering Pacific's defense obligations, and that the insurer was responsible

for all defense costs. The trial court summarily adjudicated that a potential for coverage existed and denied summary judgment on the shared defense issue. In order to perfect the right to appeal, the parties stipulated to entry of judgment that Pacific had a duty to defend the County and that Pacific was responsible for 50% of the reasonable defense costs incurred in the underlying actions. Both sides appealed. The court of appeals affirmed the finding that a duty to defend existed at all times, but reversed the holding that the County had to contribute to its own defense costs.

With respect to the first issue, the court in County of San Bernardino concluded that "Pacific had a duty to defend both underlying actions as a matter of law since the underlying complaints revealed a potential for coverage." Id. at 688. It noted:

Asserting that Pacific's duty to defend was triggered by the existence of the potential for coverage with respect to the underlying actions, the County contends it was entitled to a complete defense of those underlying actions even if property damage potentially occurred in whole or in part after expiration of Pacific's policies." Id. at 689.

The court of appeals agreed with the County's contentions. In that case, the court concluded that the County was an insured rather than an insurer, despite being self-insured after 1973. It also found this distinction to be critically important, concluding that "'an allegation of self-insurance, which is equivalent to no insurance, is repugnant to the concept of insurance which fundamentally involves the shifting to a third party, by contract, for consideration, the risk of loss as a result of an incident or event.'" Id. at 690, n. 19.

With respect to the distinction between apportioning between and among insurers versus between an insurer and its insured, the court noted:

"The insurance policies obligate the insurers to pay on behalf of a policyholder "all sums" that the policyholder becomes legally obligated to pay as damages because of bodily injury during the policy period. We interpret this language to mean that once coverage is triggered, the insurer's obligations to the policyholder is to cover the policyholder's liability "in full" up

to the policy limits. *It is irrelevant that only part of the injury developed during any single policy period or during a period in which the manufacturer had no insurance.*” Id. at 691, n. 20.

The court in County of San Bernardino ultimately concluded that since the County was not an insurer for purposes of allocation of defense costs, “Pacific remained contractually obligated to provide the County with a *complete defense* of those underlying actions, *not simply a ‘share’ of such defense.*” Id. at 691. The court reversed the trial court’s order apportioning defense costs between the insurer and the insured and directed the lower court to “enter a new judgment declaring Pacific is obligated to pay all the County’s reasonable defense costs.” Id. at 693. Here, Fireman’s fund cannot simply pay a “share” of the defense costs incurred in the underlying action. It’s obligation is to fund the entire defense without pre-conditions or limitations.

Based upon the foregoing, Amfac respectfully requests that Fireman’s Fund:

- (1) confirm that it will pay for the reasonable defense costs, without interruption and without being conditioned upon acceptance of a transfer to the Prindle firm, especially in light of the concerns outlined above;
- (2) acknowledge that it cannot pay only a pro rata share of defense costs, regardless of whether part of the loss may fall outside the period of coverage under policies issued by Fireman’s Fund;
- (3) either (a) withdraw it’s reservation of the right to seek reimbursement of defense costs for uncovered claims or (b) if Fireman’s Fund persists in reserving any right it may have to later seek reimbursement of defense costs, then it must relinquish control of the defense of this case as well as selection of defense counsel.

J. Christopher Bennington, Esq.

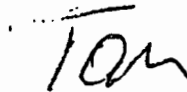
January 29, 2001

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In the event Fireman's Fund refuses both options listed above, then Amfac requests that it be allowed, at Fireman's Fund's expense, to select and retain independent counsel based on the conflicts listed above.

We look forward to your response and anticipated cooperation.

Very truly yours,



Vernon Thomas Meador, III
WESTON, BENSHOOF,
ROCHEFORT, RUBALCAVA & MacCUISH LLP

VTM/ngf

J. Christopher Bennington, Esq.
January 29, 2001
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bcc: Lorenzo Bracy

Fireman's Fund
Insurance Company



August 24, 2001

Mike Churchich, CPCU, AIC
Assistant Manager
Acclamation Insurance Management Services
7901 Oakport Street, Suite 3100
Oakland, CA 94621

Re: *Thompson v. Asbestos Defendants (BHC)*
Insured: Amfac Corp.
Claim No.: 520 97 480244
Your File No.: 24192

Dear Mr. Churchich:

Fireman's Fund Insurance Company hereby acknowledges your request that we defend D/C Distribution aka Amfac Distribution Corp. in the matter entitled *Thompson v. Asbestos Defendants (BHC)*, San Francisco County Superior Court case number 320585. Plaintiffs in that action seek damages for exposure to asbestos.

You have made the tender of defense pursuant to Fireman's Fund policies LC1655700 and L 1329023. While Fireman's Fund is aware of policy LC 1655700, the company has no record of any policy bearing the number L 1329023. The insured has the burden of establishing the existence of insurance applicable to any particular claim. Unless you can supply some documentary evidence confirming the existence and terms of L 1329023, the company must decline to defend D/C under that policy.

With regard to LC 1655700, Amfac, Inc. is the named insured under that policy. You have represented that D/C was a subsidiary of Amfac, Inc.

Based upon your representation, Fireman's Fund agrees to defend D/C under a reservation of rights described more fully below. We must ask, however, for some documentary evidence of the subsidiary relationship between D/C and Amfac, Inc. Fireman's Fund reserves its right to withdraw from the defense of D/C absent such evidence.

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
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Fireman's Fund expressly reserves any and all rights it may have under the terms of the policy or under the laws of the State of California. Fireman's Fund specifically reserves its right to file a declaratory relief action seeking a determination of its rights and obligations under the policy.

The company also reserves its right to withdraw from the defense of this litigation if facts demonstrate that there is no potential coverage for claims against your client, or if the applicable limits of coverage are exhausted. In addition, Fireman's Fund expressly reserves its right to seek reimbursement of defense costs incurred in the defense of uncovered claims. *Buss v. Superior Court* (1997) 16 Cal.4th 35.

Fireman's Fund also reserves the right to negotiate a reasonable settlement of the *Thompson* lawsuit and then seek reimbursement from your client of sums spent settling any non-covered claims. *Blue Ridge Insurance Company v. Jacobsen* (2001) 25 Cal.4th 489.

Fireman's Fund has taken this position based upon the information currently available. It has reviewed the plaintiffs' complaint, the policy, and the other documents at our disposal. If there are additional materials which you believe are relevant to the question of coverage, we would be pleased to consider them as well.

Personal Privacy



Personal Privacy



Amfac, Inc. was insured under the Fireman's Fund policy between July 1, 1969 and July 1, 1973. The policy provided coverage for "bodily injury . . . caused by occurrence. . . ." The term occurrence was defined to mean "an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury and personal injury or property damage neither expected nor intended from the standpoint of the insured. . . ." Fireman's Fund reserves the right to deny coverage for the *Thompson* claim on the grounds that no bodily injury occurred during the time the Fireman's Fund policy was in effect.

The limits of coverage provided by the policy changed over time. Fireman's Fund reserves the right to maintain that the damages sought by plaintiff constitute a single occurrence subject to a single limit of coverage. Moreover, based on endorsements to the policy, those limits may include amounts spent on the cost of defense. In addition, the *Thompson* claim may be subject to a \$25,000 deductible to be paid by or on behalf of D/C.

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
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Personal Privacy



A review of the complaint also reveals that D/C may be charged with intentional misconduct as well as negligence. Under California law, there is no coverage for intentional wrongdoing.

Given the nature of the reservation of rights described in this letter, we do not currently believe that there is an actual conflict of interest between Fireman's Fund and your client. In the absence of such conflict, Fireman's Fund retains the right to control the defense of the litigation. We have assigned the defense of D/C to Kenneth Prindle, Esq. of the law firm of Prindle, Decker & Amaro. Mr. Prindle can be reached at 415-788-8354. His offices are located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Please ensure that the representatives of D/C and/or its corporate successors cooperate fully with Mr. Prindle and his colleagues.

The specific reservations set forth in this letter do not comprise an exhaustive list of the company's rights. Fireman's Fund reserves the right to supplement its bases for reservation or denial of coverage as additional information and materials become available.

If you believe that any part of this claim has been wrongfully denied or rejected, you may have the matter reviewed by the California Department of Insurance at 1-800-927-HELP. You may also write to the California Department of Insurance, Claims Service Bureau, 11th Floor, 300 South Spring Street, Los Angeles, California 90013.

Sincerely,

William F. Frank
Senior Litigation Analyst
Direct Dial: (415) 899-3696
Fax: (415) 899-3663

cc: Lorenzo Bracy, Esq.
JMB Realty

J. Christopher Bennington, Esq.
Vernon Thomas Meador III, Esq.
Kenneth Prindle, Esq.

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
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P.O. Box 22711
Long Beach, CA 90801-5511

D/C DISTRIBUTION CORPORATION
a California corporation

FEDERAL IDENTIFICATION NUMBER

94-1718082

CORPORATE HISTORY

03/24/1970 Articles of Incorporation filed.
 Name: WDS, Inc.

05/07/1970 Certificate of Amendment filed.
 Name changed to Western Drug Supply, Inc.

03/22/1971 Certificate of Amendment filed.
 Name changed to Amfac Distribution Corporation

08/20/1973 Certificate of Amendment filed.
 Changing number of directors required and amending purpose.

08/27/1973 Restated Articles of Incorporation filed.
 Changing authorized stock to 2,500 common no par value and changing
 the number of directors to at least five no more than eight.

05/04/1989 Certificate of Amendment filed.
 Changing number of directors to one.

05/14/1997 Certificate of Amendment filed.
 Name changed to D/C Distribution Corporation

PURPOSE

Establishing, operating, and maintaining a business in pharmaceuticals, biologicals and specialties in both the pharmaceutical and biological fields.

On 08/20/1973, the purpose was amended to include sale and distribution of pharmaceutical, biological, electrical, industrial and plumbing supplies and products.

QUALIFICATIONS

State	Date	State Identification Number	Withdrawn
Alabama	07/07/1980		02/02/1993
Alaska	06/29/1972	46919-F	01/29/1993
Arizona	12/13/1973	F-0024150-6	
Arkansas	02/25/1981	CP00057137	11/05/1991
Colorado	05/11/1972		01/28/1993
Florida	05/19/1983	856498	11/15/1991
Georgia	05/19/1983	J350757	11/04/1991
Hawaii	01/07/1983	0007434F1	08/31/1998

D/C Distribution Corporation

State	Date	State Identification Number	Withdrawn
Iowa	08/14/1973		11/13/1991
Idaho	07/21/1972		01/28/1993
Illinois	05/29/1978		03/28/1990
Indiana	04/29/1980	198004-783	02/02/1993
Kansas	09/14/1973		04/16/1993
Kentucky	09/17/1979	0187216	11/14/1991
Louisiana	09/11/1973	30322680F	01/20/1994
Michigan	05/19/1983	602-211	03/11/1993
Mississippi	07/15/1981	528545	04/15/1993
Missouri	08/17/1973		02/10/1993
Montana	04/21/1975	F9861-217163	02/10/1993
Nebraska	08/16/1983		04/20/1993
Nevada	12/04/1970		02/02/1993
New Mexico	08/13/1973	0778480	09/16/1998
North Carolina	10/15/1982	0003429	02/23/1993
Ohio	09/17/1981	582209	12/13/1991
Oklahoma	08/14/1973		
Oregon	10/16/1970		02/08/1993
Pennsylvania	05/19/1983	772045	10/24/1997
Tennessee	12/13/1990	0035537	
Texas	12/30/1971	00032343-06	
Utah	01/18/1971	053494	05/09/1997
Washington	12/13/1990	328-038-602	12/31/1995
Wisconsin	09/06/1973	2A01406	02/03/1997
Wyoming	09/18/1975	198000132156	02/02/1993

STOCK INFORMATION

Authorized 2,500 common shares with no par value per share.

No.	Shares	Issue Date	Cancel Date	Shareholder
1	1,000	04/16/1970	05/07/1970	Amfac, Inc.
2	1,000	05/07/1970	03/22/1971	Amfac, Inc.
3	1,000	03/22/1971		Amfac, Inc.*
4	1,000	04/14/1971	04/15/1971	Amfac, Inc.

- * Amfac, Inc. merged into Northbrook Corporation on 05/01/1995 with Northbrook becoming successor in interest.

ASSETS

Owns nine shares in Kaiser Ventures, Inc., a Delaware corporation (Certificate Number KV10754 dated 11/20/1998)

D/C Distribution Corporation

MERGERS

03/30/1971	Valley Electric Company of Ventura, a California corporation
04/14/1971	National Electric Supply Co., Inc., a California corporation
	• After this merger Amfac Distribution operated two divisions
	1) Amfac Electric Supply Co. and 2) Western Drug Supply Co.
12/31/1973	Pacific Drug Distributors, Inc., a Delaware corporation
07/16/1974	Arizona Power & Light Co., an Arizona corporation
06/11/1975	Aberdeen Electric Supply Corporation, a Washington corporation
12/18/1975	Palmer Supply Co., a Washington corporation
12/22/1975	Central Pipe and Supply Co., a Colorado corporation
06/16/1976	Moran Supply (Fresno), a California corporation*
06/16/1976	Moran Supply, a California corporation*
08/31/1978	Dupar Dynamics, Inc., a California corporation*
05/24/1979	Pioneer Plumbing Supply Co., an Arizona corporation
07/11/1979	Easter Supply of Lancaster, Inc., a Texas corporation
07/11/1979	Easter Supply of Allen, Inc., a Texas corporation
07/11/1979	Easter Plumbing Supply, Inc., a Texas corporation
08/31/1979	Allied Plumbing Supply Company, Inc., a Texas corporation
11/29/1979	Bellingham Supply Co., Inc., a Washington corporation
12/03/1979	Nix Supply Company of Tulsa, Inc., an Oklahoma corporation
12/03/1979	Nix Supply Company, an Oklahoma corporation*
12/13/1979	Edwards Supply Company, Inc., a California corporation
05/14/1980	Bindley Pharmaceutical Corporation, an Indiana corporation*
05/14/1980	E.H. Bindley & Company, Inc., an Indiana corporation*
08/19/1980	Amtex West Supply Co., Inc., a Texas corporation*
03/09/1981	Morlan Pipe & Supply, Inc., a California corporation*
04/14/1981	E.C. Wild, Inc., a Colorado corporation
05/15/1981	Hallmark Supply West, Inc., a Texas corporation
05/15/1981	Hallmark Supply North, Inc., a Texas corporation
05/15/1981	W.E. Hallmark Company, a Texas corporation
09/11/1981	Lord-Babcock, Inc., a California corporation
03/11/1982	San Joaquin Wholesale Electric Co., a California corporation
04/30/1982	MRO Group, Inc., a Texas corporation
05/20/1982	J&J Electric Supply, Inc., a Kansas corporation
05/20/1982	Allen Electrical Supply Co., Inc., a Kansas corporation
05/20/1982	Architectural Lighting, Inc., a Kansas corporation
05/20/1982	Active Electrical Distributors, Inc., a Delaware corporation
10/15/1982	W.J. Westerfield Co., Inc., a Louisiana corporation*
12/31/1982	The Wild Company of New Mexico, a Colorado corporation*
12/31/1982	Hawkins Supply Co., Inc., a Texas corporation*
06/14/1983	Connrex-Mosher Veterinary Services Company, a Delaware corporation*
06/14/1983	Holmes Serum Co., Inc., an Illinois corporation*

* These entities were wholly owned subsidiaries of Amfac Distribution Corporation

Note: In all cases of non-subsidiary corporation mergers, outstanding shares of such corporation were converted into shares of no par value common stock of Amfac, Inc.

D/C Distribution Corporation

PRINCIPAL PLACE OF BUSINESS

900 North Michigan Avenue
Chicago, Illinois 60611

REGISTERED AGENT

C T Corporation System
818 West 7th Street
Los Angeles, California 90017



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

0175218-9

02/06/2006

CORP. REPRESENTATIVE SERVICES I
900 N MICHIGAN AVE STE 1400
CHICAGO, IL 60611-0000

RE D/C DISTRIBUTION, LLC

DEAR SIR OR MADAM:

ARTICLES OF MERGER FOR THE ABOVE-NAMED COMPANY HAVE BEEN
PLACED ON FILE.

THE REQUIRED FEE IS HEREBY ACKNOWLEDGED.

SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
LIMITED LIABILITY COMPANY DIVISION
TELEPHONE (217)524-8008

JW:LLC

Form **LLC-37.25**
January 1999

Jesse White
Secretary of State
Department of Business Services
Limited Liability Company Division
Room 359, Howlett Building
Springfield, IL 62756
<http://www.sos.state.il.us>

Remit payment in check or money order,
payable to "Secretary of State."
Filing Fee is \$100, but if merger of more
than two entities, \$50 for each additional
entity.

Illinois
Limited Liability Company Act
Articles of Merger

SUBMIT IN DUPLICATE

Must be typewritten

This space for use by Secretary of State

Date 02/06/2006
Assigned File # 0175-2189
Filing Fee \$100.00
Approved: JL

This space for use by
Secretary of State

FILED
FEB - 6 2006
JESSE WHITE
SECRETARY OF STATE

1. Names of the entities proposing to merge, and the state or country of their organization:

Name of Entity	Type of Entity (Corporation Limited Liability Company, Limited Partnership, General Partnership or other permitted entity)	Domestic State or Country	Illinois Secretary of State File # (if any)
<u>D/C Distribution, LLC</u>	<u>Limited Liability Company</u>	<u>Illinois</u>	
<u>D/C Distribution Corporation</u>	<u>Corporation</u>	<u>California</u>	

2. The plan of merger has been approved and signed by each limited liability company and other entity that is to merge. If a corporation is a party to the merger, a copy of the plan as approved is attached to these articles of merger.

3. (a) Name of the surviving entity: D/C Distribution, LLC
- (b) Address of the surviving entity: 900 North Michigan Avenue Suite 1400 Chicago, Illinois 60611

4. Effective date of merger: (check one)
- a) ☒ the filing date, or
- b) ☐ a later date, but not more than 30 days subsequent to the filing date:

(month, day and year)

5. All limited liability companies that are parties to this merger and were on record with the Illinois Secretary of State prior to January 1, 1998, have elected in their operating agreements to be governed by the amendatory Act of 1997.

6. If the survivor is a limited liability company, stated below are changes that are necessary to its articles of organization by reason of this merger:

7. For the limited liability companies that are parties to the merger, complete the following:

Name of LLC	Jurisdiction	Organization Date	Date of Admission to Illinois (foreign LLC's)
D/C Distribution, LLC	Illinois		1/21/04

8. If the surviving entity is not a limited liability company, it agrees that it may be served with process in this State and is subject to liability in any action or proceeding for the enforcement of any liability or obligation of a Limited Liability Company previously subject to suit in this State which is to merge, and for the enforcement, as provided in this Act, of the right of members of any limited liability company to receive payment for their interest against the surviving entity.

9. The undersigned entities caused these articles to be signed by the duly authorized person, each of whom affirms, under penalty of perjury, that the facts stated herein are true.

1. Karen M. Ewing
(Signature)

Karen M. Ewing, Secretary
(Type or print name and title)

D/C Distribution Corporation
(Name if a corporation or other entity)

2. Paul C. Nielsen
(Signature)

Paul C. Nielsen, Senior Vice President of
(Type or print name and title)
Kaanapali Land, LLC, the sole member of
D/C Distribution, LLC
(Name if a corporation or other entity)

3. _____
(Signature)

(Type or print name and title)

(Name if a corporation or other entity)

4. _____
(Signature)

(Type or print name and title)

(Name if a corporation or other entity)

If additional space is needed, it must be continued in the same format on a plain white 8 1/2X11" sheet, which must be stapled to this form.

(Signatures must be in ink on an original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)

**PLAN AND AGREEMENT OF MERGER
MERGING
D/C DISTRIBUTION CORPORATION
WITH AND INTO
D/C DISTRIBUTION, LLC**

This Plan and Agreement of Merger, dated this 1st day of February, 2006, pursuant to Section 37.25 of the Illinois Limited Liability Act ("Illinois Law"), between D/C Distribution Corporation, a California corporation ("D/C California") and D/C Distribution, LLC, an Illinois limited liability company ("D/C Illinois") has been approved by Written Consent by its Board of Directors of D/C California on said date and approved by Kaanapali Land, LLC, a Delaware limited liability company ("Kaanapali"), holding all of the issued and outstanding shares of stock in D/C California and being the sole member of D/C Illinois.

- FIRST:** Pursuant to the provisions of the Illinois Law, D/C California shall be merged with and into D/C Illinois with D/C Illinois being the surviving entity (the "Merger"). The Merger shall become effective upon the filing of this Plan and Agreement of Merger in accordance with the Illinois Law (the "Effective Time"). At the Effective Time D/C Illinois shall continue its corporate existence as a limited liability company formed under the Illinois Law (sometimes hereinafter referred to as the "Surviving Entity"). The separate existence of D/C California shall cease at the Effective Time.
- SECOND:** The Articles of Organization of the Surviving Entity from and after the Effective Time shall be the Articles of Organization of D/C Illinois in effect immediately prior to the Effective Time and said Articles of Organization shall continue in full force and effect as provided under the Illinois Law.
- THIRD:** The operating agreement of the Surviving Entity from and after the Effective Time will be the operating agreement of D/C Illinois in effect immediately prior to the Effective Time and will continue in full force and effect until thereafter amended as provided herein and under the Illinois Law.
- FOURTH:** Until their successors are duly elected and shall have qualified, the officers and directors of D/C Illinois immediately prior to the Effective Time shall be the initial officers and directors of the Surviving Entity from and after the Effective Time.
- FIFTH:** Kaanapali presently owns 1,000 common shares with no par value per share of the 2,500 common shares D/C California is authorized to issue. Kaanapali owns all of the issued and outstanding shares of stock of D/C California. By virtue of

the Merger and without any action on the part of Kaanapali, all of D/c California's issued and outstanding shares of stock will cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.

SIXTH:

Each officer of D/C California and D/C Illinois are hereby authorized to execute and file a Articles of Merger on behalf of said corporations in conformity with the Illinois Law and the Board of Directors or the proper officers of D/C California and D/C Illinois are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger including, without limitation, the qualification of this Company to transact business as a foreign limited liability company in such jurisdictions he, she or they may deem advisable.

SEVENTH:


At and after the Effective Time, D/C Illinois shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all the restrictions, disabilities and duties of D/C California and all property real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to D/C California shall be vested in D/C Illinois; and all debts, liabilities, duties and obligations of D/C California shall thenceforth attach to D/C Illinois and may be enforced against D/C Illinois to the same extent as if said debts, liabilities, duties and obligations have been incurred or contracted by D/C Illinois in the same manner and to the same extent as enforceable against D/C California.

EIGHTH:

The Merger shall not be deemed to constitute an assignment or transfer to D/C Illinois of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in D/C Illinois without revision or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Plan and Agreement of Merger to be executed by their duly authorized officers this 1st day of February, 2006.

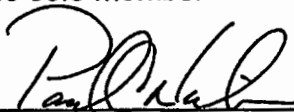
D/C Distribution Corporation
a California corporation



Gary Nickele
President

D/C Distribution, LLC
an Illinois limited liability company

By: Kaanapali Land, LLC
a Delaware limited liability company
the sole member



Paul C. Nielsen
Senior Vice President

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Honolulu

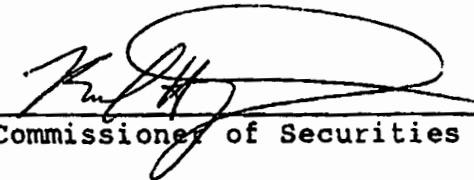
CERTIFICATE OF MERGER

I, KATHRYN S. MATAYOSHI, Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that pursuant to the Articles of Merger and Agreement and Plan of Merger of NORTHBROOK CORPORATION, a Delaware corporation, filed in this Department on May 1, 1995, in accordance with the provisions of Section 415-75 of the Hawaii Revised Statutes, AMFAC, INC., a Hawaii corporation, was merged with and into NORTHBROOK CORPORATION on May 1, 1995 at 10:20 a.m., Hawaiian Standard Time.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, State of Hawaii, this 2nd day of May, 1995.

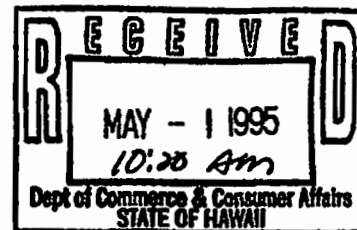


Director of Commerce and Consumer Affairs

By 
Commissioner of Securities

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810

ARTICLES OF MERGER
(Subsidiary into Parent)
(Section 415-75, Hawaii Revised Statutes)



PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, duly authorized officers of the corporation submitting these Articles of Merger, certify as follows:

1. The name and state of incorporation of the parent or surviving corporation is:

Northbrook Corporation

(Type/Print Corporate Name)

Delaware

(State)

2. The name and state of incorporation of the merging or subsidiary corporation is:

Amfac, Inc.

(Type/Print Corporate Name)

Hawaii

(State)

3. The surviving corporation owns at least 90% of the issued and outstanding shares of the merging corporation.

4. The Plan of Merger is attached.

5. A copy of the Plan of Merger was mailed to all of the shareholders of the subsidiary corporation on

April 7 1995
(Month) (Day) (Year)

- 6.

Number of Outstanding Shares of the Subsidiary Corporation	Class/Series	Number of Outstanding Shares of the Subsidiary, owned by the Parent Corporation
1,050.75	common	1,000

7. The merger is effective on the date and time of filing or at a later date and time, no more than 30 days after the filing, if so stated. Check only one of the following statements:

☒ [X] Merger is effective on the date and time of filing.

☐ [] Merger is effective on _____, at _____,
Hawaiian Standard Time, which date is not later than 30 days after filing.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

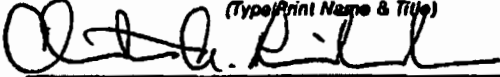
Witness our hands this _____ day of MAY 1 1995.

Parent or Surviving corporation: Northbrook Corporation

(Type/Print Corporate Name)

Chester A. Richardson, Senior Vice President

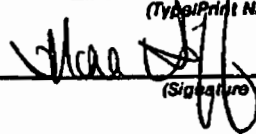
(Type/Print Name & Title)



(Signature of Officer)

Mona Sarnoff, Assistant Secretary

(Type/Print Name & Title)



(Signature of Officer)

(See Reverse Side For Instructions)

AGREEMENT AND PLAN OF MERGER

MERGING

AMFAC, INC.

WITH AND INTO

NORTHBROOK CORPORATION

* * * * *

This Agreement and Plan of Merger was approved on April 7, 1995 by Northbrook Corporation, a Delaware corporation ("Parent"), by resolution duly adopted by its Board of Directors on said date and was approved on said date by Amfac, Inc., a Hawaii corporation ("Amfac"), by resolution duly adopted by its Board of Directors on said date.

FIRST: Pursuant to the provisions of the Delaware General Corporation Law (the "Delaware GCL") and the provisions of the Hawaii Business Corporation Act (the "Hawaii Act"), Amfac shall be merged with and into Parent, with Parent being the surviving corporation (the "Merger"). The Merger shall become effective upon proper filing of a certificate of ownership and merger (the "Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") pursuant to the Delaware GCL and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA") pursuant to the Hawaii Act, respectively, or at such time thereafter as is provided in the Certificate of Ownership and Merger and the Articles of Merger (the "Effective Time"). At the Effective Time, Parent shall continue its corporate existence as a corporation formed under the laws of the State of Delaware (sometimes hereinafter referred to as the "surviving corporation"). The separate existence of Amfac shall cease at the Effective Time.

SECOND: The certificate of incorporation of the surviving corporation from and after the Effective Time shall be the Certificate of Incorporation, as amended, of Parent, in effect immediately prior to the Effective Time and said Certificate of Incorporation, as amended, shall continue in full force and effect as provided under the Delaware GCL.

THIRD: The by-laws of the surviving corporation from and after the Effective Time shall be the Amended and Restated By-Laws of Parent, in effect immediately prior to the Effective Time and said Amended and Restated By-Laws

shall continue in full force and effect as provided under the Delaware GCL.

- FOURTH:** Until their successors are duly elected and shall have qualified, the officers and directors of Parent immediately prior to the Effective Time shall be the initial officers and directors of the surviving corporation from and after the Effective Time.
- FIFTH:** At the Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Effective Time (other than shares of Amfac Common Stock held by Parent) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of Parent. Each share of Amfac Common Stock shall, by virtue of the Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than Parent) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Parent or (ii) pursuant to the Hawaii Act, dissent from the Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock.
- SIXTH:** At the Effective Time, each share of Amfac Common Stock issued and outstanding and held by Parent immediately prior to the Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Effective Time, shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.
- SEVENTH:** This Agreement and Plan of Merger may be terminated at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA, and the terms and conditions of this Agreement and Plan of Merger may be amended at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA.

EIGHTH: Each officer of Parent and each officer of Amfac are hereby authorized to execute and file the Certificate of Ownership and Merger pursuant to the Delaware GCL and the Articles of Merger pursuant to the Hawaii Act, on behalf of Parent and Amfac, respectively, and the Board of Directors and the proper officers of Parent and Amfac are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger.

NINTH: At and after the Effective Time, Parent shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all of the restrictions, disabilities and duties of Amfac and all property, real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to Amfac shall be vested in Parent; and all debts, liabilities, duties and obligations of Amfac shall thenceforth attach to Parent and may be enforced against Parent to the same extent as if said debts, liabilities, duties and obligations had been incurred or contracted by Parent in the same manner and to the same extent as enforceable against Amfac.


TENTH: The Merger shall not be deemed to constitute an assignment or transfer to Parent of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in Parent without reversion or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Agreement and Plan of Merger to be executed by their duly authorized officers on this 7th day of April, 1995.

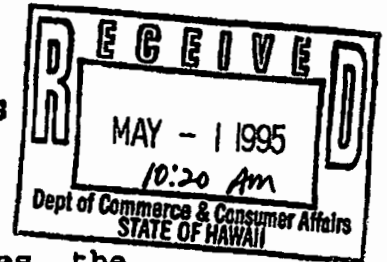
NORTHBROOK CORPORATION,
a Delaware corporation

By: 
Its: Senior Vice President

AMFAC, INC.,
a Hawaii corporation

By: 
Its: Senior Vice President

APPOINTMENT OF AGENT FOR SERVICE OF PROCESS
AND AGREEMENT TO PAY DISSENTING SHAREHOLDERS



Pursuant to Section 415-77, Hawaii Revised Statutes, the undersigned, duly authorized officers of Northbrook Corporation submitting this Appointment of Agent for Service of Process and Agreement to Pay Dissenting Shareholders, certify as follows:

1. This document is submitted in conjunction with certain Articles of Merger duly executed on MAY 1 1995, concerning a merger of the corporation hereinafter set forth.

2. The name and state of incorporation of this corporation, as survivor of the aforementioned merger, is:

Northbrook Corporation, a Delaware corporation.

3. The name and state of incorporation of the merging corporation is:

Amfac, Inc., a Hawaii corporation.

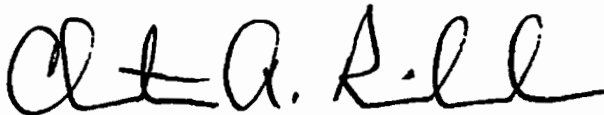
4. Northbrook Corporation, as survivor of the aforementioned merger, agrees that it may be served with process in the State of Hawaii in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger, and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against this corporation, as survivor, and this corporation, as survivor, irrevocably appoints Amfac/JMB Hawaii, Inc., as its agent to accept service of process in any such proceeding, whose address is 700 Bishop St., 21st Fl., Honolulu, HI 96813.

5. Northbrook Corporation, as survivor of the aforementioned merger, further agrees that it will promptly pay to the dissenting shareholders of any domestic corporation which is party to such merger, the amount, if any, to which they shall be entitled under the provisions of Chapter 415, Hawaii Revised Statutes, with respect to the rights of dissenting shareholders.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

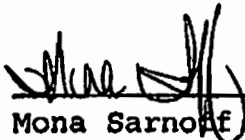
Executed this MAY 1 1995 day of ~~April~~^{May} 1995.

Surviving corporation: Northbrook Corporation.



Name: Chester A. Richardson
Title: Senior Vice President and
General Counsel

Attested by:



Mona Sarnoff
Title: Assistant Secretary

The undersigned hereby acknowledges the above-appointment to accept service of process.

Amfac/JMB Hawaii, Inc.

By



Its Assistant Secretary

Amfac-Merger\apptagt.agm

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"AMFAC, INC.", A HAWAII CORPORATION,

WITH AND INTO "NORTHBROOK CORPORATION" UNDER THE NAME OF "NORTHBROOK CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE FIRST DAY OF MAY, A.D. 1995, AT 12:30 O'CLOCK P.M.





Edward J. Freel, Secretary of State

AUTHENTICATION:

0854824 8100M
950281417

DATE: 7734429
12-04-95

19

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

AMFAC, INC.

WITH AND INTO

NORTHBROOK CORPORATION

NORTHBROOK CORPORATION (the "Company"), a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Certificate of Incorporation of the Company was filed in the office of the Secretary of State of the State of Delaware (the "Delaware Secretary of State") on the 26th day of May, 1978.

SECOND: That the Company owns at least ninety percent of the outstanding shares of common stock of AMFAC, INC. ("Amfac"), a Hawaii corporation incorporated on the 20th day of July, 1918, and Amfac has no other class of stock outstanding.

THIRD: That the sole director of the Company duly adopted the following resolutions of the Board of Directors on the 7th day of April, 1995 by consent in lieu of a meeting in accordance with the authority contained in § 141(f) of the General Corporation Law of the State of Delaware:

RESOLVED, that the Board of Directors deems it advisable for legitimate business purposes to merge Amfac, Inc., a Hawaii corporation ("Amfac"), with and into the Company (the "Amfac Merger") pursuant to § 253 of the General Corporation Law of the State of Delaware and § 415-75 of the Hawaii Revised Statutes; and

FURTHER RESOLVED, that the Amfac Merger shall become effective (the "Amfac Effective Time") upon the filing of a certificate of ownership and merger (the "Amfac Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA"), respectively, or at such time thereafter as is provided in the Amfac Certificate of Ownership and Merger and the Articles of Merger, and

FURTHER RESOLVED, that, at the Amfac Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Amfac Effective Time (other than shares of Amfac Common Stock held by the Company) shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of the Company, and each share of Amfac Common Stock shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than the Company) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Company or (ii) pursuant to the Hawaii Revised Statutes, dissent from the Amfac Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock; and

FURTHER RESOLVED, that, at the Amfac Effective Time, each share of Amfac Common Stock issued and outstanding and held by the Company immediately prior to the Amfac Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Amfac Effective Time, shall, by virtue of the Amfac Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist; and

FURTHER RESOLVED, that the proposed Agreement and Plan of Merger, dated as of the date hereof (the "Agreement and Plan of Merger"), between the Company and Amfac is hereby recommended, approved and adopted, substantially in the form attached hereto as Exhibit A, with such changes therein as the officer of the Company executing such Agreement and Plan of Merger deems necessary and proper, and Chester A.

Richardson, Senior Vice President, is hereby authorized to enter into the Agreement and Plan of Merger by executing and delivering said Agreement and Plan of Merger with such changes therein as he may deem necessary and proper; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed to make and execute the Amfac Certificate of Ownership and Merger setting forth a copy of these resolutions authorizing the Amfac Merger and the date of adoption hereof and attaching the Agreement and Plan of Merger, and to cause the same to be filed with the Delaware Secretary of State and a certified copy recorded in the office of the recorder of the county in the Delaware in which the registered office of the Company is located; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed, on behalf of Amfac, to mail a copy of the Agreement and Plan of Merger to each shareholder of record of Amfac, except the Company, to obtain a waiver of the notice period pursuant to § 415-75 of the Hawaii Revised Statutes and to give notice to the shareholders of Amfac of the right to dissent from the Amfac Merger; and

FURTHER RESOLVED, that the proper officers of the Company are hereby directed, on behalf of Amfac, to make and execute the Articles of Merger setting forth the Agreement and Plan of Merger, the number of outstanding shares of each class of stock of Amfac and the number of outstanding shares of each class of stock of Amfac owned by the Company and the date of mailing of the Agreement and Plan of Merger to each shareholder of Amfac entitled to receive such Agreement and Plan of Merger, and to cause the same to be delivered for filing to the Hawaii DCCA; and

FURTHER RESOLVED, that the Board of Directors of the Company may amend the Agreement and Plan of Merger at any time prior to the filing of the Amfac Certificate of Ownership and Merger with the Delaware Secretary of State or the Articles of Merger with the Hawaii DCCA or may terminate the Amfac Merger at any time prior to the filing of the Amfac Certificate of Ownership and Merger with the Delaware Secretary of State or the Articles of Merger with the Hawaii DCCA; and

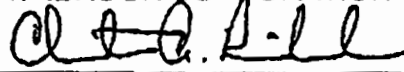
FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to do or cause to be done any and all such acts, and to make, file and record all documents required by law to qualify the Company to do business in any state in which such officer deems such qualification necessary and proper; and

FURTHER RESOLVED, that wherever in these resolutions any director or officer of the Company is authorized to take any action that he deems necessary, proper, advisable or required, the signing or execution by such director or officer of any instrument or the taking of any such action by him shall be conclusive evidence that he deems the same to be necessary, proper, advisable or required; and

FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to do or cause to be done any and all such acts and things and execute and deliver any and all documents and papers as they may deem necessary or appropriate to carry out the purposes of the foregoing resolutions.

IN WITNESS WHEREOF, Northbrook Corporation has caused this Certificate of Ownership and Merger to be executed and attested this 1st day of May, 1995.

NORTHBROOK CORPORATION

By: 

Chester A. Richardson
Senior Vice President

ATTEST:

By: 
Mona Samoff
Assistant Secretary

EXHIBIT**AGREEMENT AND PLAN OF MERGER****MERGING****AMFAC, INC.****WITH AND INTO****NORTHBROOK CORPORATION**

* * * * *

This Agreement and Plan of Merger was approved on April 7, 1995 by Northbrook Corporation, a Delaware corporation ("Parent"), by resolution duly adopted by its Board of Directors on said date and was approved on said date by Amfac, Inc., a Hawaii corporation ("Amfac"), by resolution duly adopted by its Board of Directors on said date.

- FIRST:** Pursuant to the provisions of the Delaware General Corporation Law (the "Delaware GCL") and the provisions of the Hawaii Business Corporation Act (the "Hawaii Act"), Amfac shall be merged with and into Parent, with Parent being the surviving corporation (the "Merger"). The Merger shall become effective upon proper filing of a certificate of ownership and merger (the "Certificate of Ownership and Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") pursuant to the Delaware GCL and articles of merger (the "Articles of Merger") with the Department of Commerce and Consumer Affairs in Hawaii (the "Hawaii DCCA") pursuant to the Hawaii Act, respectively, or at such time thereafter as is provided in the Certificate of Ownership and Merger and the Articles of Merger (the "Effective Time"). At the Effective Time, Parent shall continue its corporate existence as a corporation formed under the laws of the State of Delaware (sometimes hereinafter referred to as the "surviving corporation"). The separate existence of Amfac shall cease at the Effective Time.
- SECOND:** The certificate of incorporation of the surviving corporation from and after the Effective Time shall be the Certificate of Incorporation, as amended, of Parent, in effect immediately prior to the Effective Time and said Certificate of Incorporation, as amended, shall continue in full force and effect as provided under the Delaware GCL.
- THIRD:** The by-laws of the surviving corporation from and after the Effective Time shall be the Amended and Restated By-Laws of Parent, in effect immediately prior to the Effective Time and said Amended and Restated By-Laws

shall continue in full force and effect as provided under the Delaware GCL.

- FOURTH: Until their successors are duly elected and shall have qualified, the officers and directors of Parent immediately prior to the Effective Time shall be the initial officers and directors of the surviving corporation from and after the Effective Time.
- FIFTH: At the Effective Time, each share of common stock, no par value per share ("Amfac Common Stock"), of Amfac issued and outstanding immediately prior to the Effective Time (other than shares of Amfac Common Stock held by Parent) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive, as consideration therefor, 0.25 shares of common stock, \$20 par value per share, of Parent. Each share of Amfac Common Stock shall, by virtue of the Merger and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired and cease to exist, and each holder of a certificate representing any such shares of Amfac Common Stock shall thereafter cease to have any rights with respect to such shares of Amfac Common Stock, except the right of holders (other than Parent) to (i) receive the aforementioned consideration for any such certificate upon surrender to the Parent or (ii) pursuant to the Hawaii Act, dissent from the Merger and obtain payment for each certificate formerly representing share(s) of Amfac Common Stock.
- SIXTH: At the Effective Time, each share of Amfac Common Stock issued and outstanding and held by Parent immediately prior to the Effective Time and each share of Amfac Common Stock issued and held in Amfac's treasury immediately prior to the Effective Time, shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired without payment of any consideration therefor and cease to exist.
- SEVENTH: This Agreement and Plan of Merger may be terminated at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA, and the terms and conditions of this Agreement and Plan of Merger may be amended at any time prior to the filing of the Certificate of Ownership and Merger with the Delaware Secretary of State or the filing of the Articles of Merger with the Hawaii DCCA.

- EIGHTH:** Each officer of Parent and each officer of Amfac are hereby authorized to execute and file the Certificate of Ownership and Merger pursuant to the Delaware GCL and the Articles of Merger pursuant to the Hawaii Act, on behalf of Parent and Amfac, respectively, and the Board of Directors and the proper officers of Parent and Amfac are hereby authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions contained in this Plan and Agreement of Merger or to otherwise effectuate the Merger.
- NINTH:** At and after the Effective Time, Parent shall possess all the rights, privileges, powers and franchises, of both a public and private nature, and be subject to all of the restrictions, disabilities and duties of Amfac and all property, real, personal and mixed, and all debts due on whatever account, and all other things in action or belonging to Amfac shall be vested in Parent; and all debts, liabilities, duties and obligations of Amfac shall thenceforth attach to Parent and may be enforced against Parent to the same extent as if said debts, liabilities, duties and obligations had been incurred or contracted by Parent in the same manner and to the same extent as enforceable against Amfac.
- TENTH:** The Merger shall not be deemed to constitute an assignment or transfer to Parent of any interest in any property, lease or other contract; it being understood that any and all such interests shall be vested in Parent without reversion or impairment by virtue of the Merger and without any further action by any person whatsoever.

IN WITNESS WHEREOF, the undersigned corporations have caused this Agreement and Plan of Merger to be executed by their duly authorized officers on this 7th day of April, 1995.

NORTHBROOK CORPORATION,
a Delaware corporation

By: [Signature]
Its: Senior Vice President

AMFAC, INC.,
a Hawaii corporation

By: [Signature]
Its: Senior Vice President



A491982

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY 14 1997



Bill Jones

Secretary of State

27

A491982

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

MAY 12 1997

**CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION**

Chester A. Richardson and Karen M. O'Mahoney certify:

Bill Jones
BILL JONES, Secretary of State

1. That they are Vice President and Assistant Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted by written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the Board to so act.

RESOLVED, that Article One of the Articles of Incorporation
is amended to read as follows:

"One: The name of the corporation is
D/C Distribution Corporation."

3. That Northbrook Corporation, the sole shareholder and owner of all of the outstanding capital stock of said corporation adopted said amendment by written consent and that the wording of the resolution set forth in the written consent of shareholders is the same as that set forth in the directors' resolution in paragraph 2. above.

4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment of Articles of Incorporation this 8th day of May, 1997.

Chester A. Richardson

Chester A. Richardson
Vice President

Karen M. O'Mahoney

Karen M. O'Mahoney
Assistant Secretary

CT CORPORATION SYSTEM

208 South LaSalle Street
Chicago, IL 60604
Tel. 312 345 4324
Fax 312 263 3928

May 20, 1997

Karen O'Mahoney
Northbrook Corporation
900 N. Michigan Avenue
12th Floor
Chicago, Illinois 60611

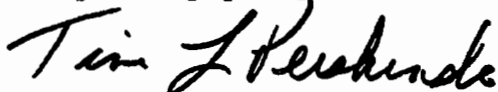
Re: D/C Distribution Corporation (CA)

Dear Karen:

Enclosed is evidence of the Certificate of Amendment of the Articles of Incorporation for the above named company in the state of California.

We appreciate this opportunity to be of service.

Very truly yours,



Tina L. Pershinske
Associate Customer Specialist

tlp

Enclosure(s)



State of California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAY 5 1989



March Fong Eu

Secretary of State

A36 '46

ENDORSED
FILE
in the office of the Secretary of State
of the State of California

CERTIFICATE OF AMENDMENT OF
RESTATED ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION

MAY 4 1989

MARCH FONG EU, Secretary of State

Chester A. Richardson and Doris E. Anderson certify:

1. That they are Senior Vice President and Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted by unanimous written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the directors to so act:

RESOLVED, That the Restated Articles of Incorporation of Amfac Distribution Corporation be amended as follows:

Paragraph (a) of ARTICLE FIVE is hereby amended to read as follows:

"The number of directors of this corporation shall be one (1)."

3. That Amfac, Inc., the sole shareholder and owner of all of the outstanding capital stock of said corporation adopted said amendment by written consent and that the wording of the resolution set forth in the written consent of shareholders is the same as that set forth in the directors' resolution in paragraph 2. above.


4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

IN WITNESS WHEREOF, The undersigned have executed this Certificate of Amendment of Articles of Incorporation this 7th day of April, 1989.



Chester A. Richardson
Senior Vice President



Doris E. Anderson
Secretary

STATE OF CALIFORNIA



OFFICE OF THE SECRETARY OF STATE

I, **EDMUND G. BROWN JR.**, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the **RECORD** on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

AUG 20 1973



Edmund G. Brown Jr.
Secretary of State

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

AUG 20 1973

EDMUND G. BROWN, Secretary of State

By JAMES E. HARRIS
Deputy

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
AMFAC DISTRIBUTION CORPORATION

C. E. S. Burns, Jr. and Barbara Gittins certify:

1. That they are Vice-President and Assistant Secretary respectively of Amfac Distribution Corporation, a California corporation.

2. That the following resolution was adopted effective August 10, 1973 by unanimous written consent of the Board of Directors of said corporation without a meeting and the bylaws of said corporation authorize the directors to so act.

"RESOLVED that the Articles of Incorporation of Amfac Distribution Corporation be amended as follows:

A. Paragraph (a) of ARTICLE TWO is hereby amended to read as follows:

(a) Primarily to engage in the specific business of selling and distributing pharmaceutical, biological, electrical, industrial and plumbing supplies and products;

B. Paragraph (a) of ARTICLE FIVE is hereby amended to read as follows:

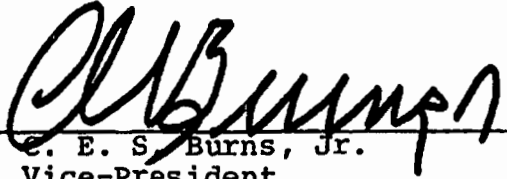
(a) The number of directors of this corporation shall be not less than five (5) nor more than eight (8), the exact number of which shall be fixed by a bylaw duly adopted by the shareholders or by the Board of Directors."

3. That Amfac, Inc., the sole stockholder and owner of all of the outstanding capital stock of said corporation

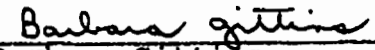
adopted said amendment by written consent effective August 10, 1973 and that the wording of the resolution set forth in the written consent of stockholders is the same as that set forth in the directors' resolution in paragraph 2. above.

4. The number of shares adopting said resolution by written consent was One Thousand (1,000). The number of shares entitled to vote on, or consent to, the amendment is One Thousand (1,000).

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment of Articles of Incorporation this 13th day of August, 1973.



C. E. S. Burns, Jr.
Vice-President



Barbara Gittins
Assistant Secretary

STATE OF HAWAII)
)
) SS.
CITY & COUNTY OF HONOLULU)

C. E. S. Burns, Jr. and Barbara Gittins, being first duly sworn, depose and say that they have read the foregoing Certificate of Amendment of Articles of Incorporation and that the matters set forth therein are true of their own knowledge.

C. E. S. Burns, Jr.

Barbara Gittins
Barbara Gittins

Subscribed and sworn to before me this 14 day of August, 1973.

Robert S. Weatherford
Notary Public, First Judicial
Circuit, State of Hawaii

My Commission Expires: December 27, 1974

STATE OF CALIFORNIA



OFFICE OF THE
SECRETARY OF STATE

(PHOTOCOPY CERTIFICATION)

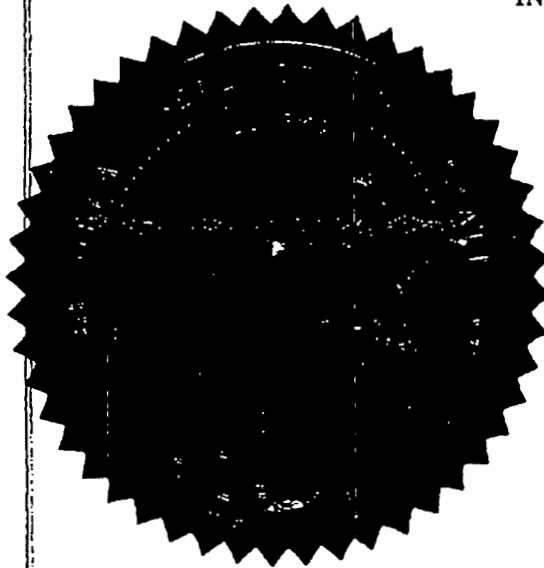
I, **EDMUND G. BROWN JR.**, Secretary of State of the State of California,
hereby certify:

That the photographic reproduction hereunto annexed was prepared by
and in this office from the record on file of which it purports to be a copy,
and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAR 2 2 1977

Edmund G. Brown Jr.
Secretary of State



FILED
In the office of the Secretary of State
of the State of California

MAR 22 1971

EDMUND S. BROWN, Jr., Secretary of State
By *[Signature]*
Deputy

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
WESTERN DRUG SUPPLY, INC.

R. A. VAN ORSDEL, JR., and DANIEL A. CURRY certify:

1. That they are the Vice President and the Secretary, respectively, of Western Drug Supply, Inc., a California corporation.

2. That at a meeting of the Board of Directors of said corporation, duly held at Honolulu, Hawaii on March 8, 1971, the following resolution was adopted:

RESOLVED, that Article One of the Articles of Incorporation of this corporation be amended to read as follows:

"ARTICLE ONE

The name of this corporation is AMPAC
DISTRIBUTION CORPORATION."

3. That the shareholders have adopted said amendment by written consent and the wording of the amended Article, as set forth in the shareholders' written consent, is the same -- that set forth in the directors' resolution in Paragraph 2

STATE OF CALIFORNIA



DEPARTMENT OF STATE

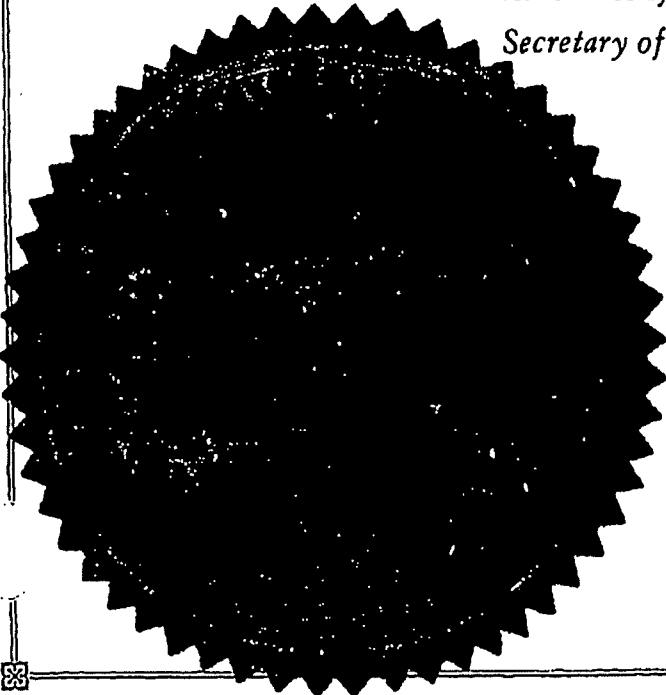
To all whom these presents shall come, Greetings:

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.

In testimony whereof, I, FRANK M. JORDAN,
Secretary of State, have hereunto caused the Great
Seal of the State of California to be
affixed and my name subscribed, at
the City of Sacramento, in the State
of California,
this _____

MAR 25 1970



Frank M. Jordan
Secretary of State

By *W. H. Allen*
Assistant Secretary of State

ARTICLES OF INCORPORATION

OF

W D S, INC.

**ENDORSED
FILED**In the office of the Secretary of State
of the State of California

MAR 4 1970

FRANK M. JOEDAN, Secretary of State
By David A. Weelman
Deputy

ARTICLE ONE

The name of this corporation is:

W D S, INC.

ARTICLE TWO

The purposes for which this corporation is
formed are:

- (a) Primarily to engage in the specific business of establishing, operating and maintaining a business in pharmaceuticals, biologicals and specialities in both the pharmaceutical and biological field;
- (b) To engage in any business, related or unrelated, to that described in clause (a) of this ARTICLE TWO and from time to time authorized or approved by the Board of Directors of this corporation;
- (c) To act as partner or joint adventurer, or in any other legal capacity in any transaction;
- (d) To have and exercise all rights and powers from time to time granted to a corporation by law.

The foregoing clauses shall be construed both as objects and purposes, and as powers, and it is hereby expressly provided that the foregoing enumeration of independent and specific objects and purposes shall not be held to limit or restrict the powers of the corporation.

ARTICLE THREE

The principal office in the State of California for the transaction of business of this corporation is located in the County of Sacramento, State of California.

ARTICLE FOUR

This corporation is authorized to issue only one class of shares of stock. The total number of shares which this corporation is authorized to issue shall be One Thousand (1,000), and all of said shares shall be without par value.

ARTICLE FIVE

- (a) The number of directors of this corporation shall be three (3).
- (b) The names and addresses of the persons who are appointed to act as first directors of the corporation are:

E. Lewis Reid	Crocker Plaza Montgomery at Post San Francisco, California
---------------	--

Joseph J. Carter	Crocker Plaza Montgomery at Post San Francisco, California
------------------	--

Richard G. Hildreth	Crocker Plaza Montgomery at Post San Francisco, California
---------------------	--

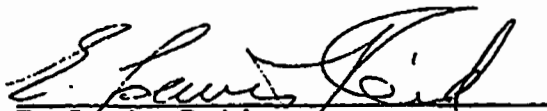
ARTICLE SIX

The stock of the corporation and the holders thereof shall not be subject to assessment. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

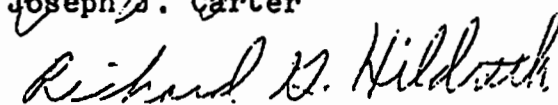
ARTICLE SEVEN

No stockholder shall be entitled as a matter of right to subscribe for or receive additional shares of any class of stock of the corporation whether now or hereafter authorized, or any bonds, debentures or other securities convertible into stock, but such additional shares of stock or other securities convertible into stock may be issued or disposed of by the board of directors to such persons and on such terms as in its discretion it shall deem advisable.

IN WITNESS WHEREOF, we the undersigned, for the purposes of forming this corporation under and in pursuance of the general corporation law of the State of California, and the act amendatory thereof and supplemental thereof, and constituting the incorporators of this corporation and being the persons named hereinabove as the first directors of this corporation hereby declaring and stating that the facts stated are true, have executed these Articles of Incorporation this 20th day of March, 1970.


E. Lewis Reid

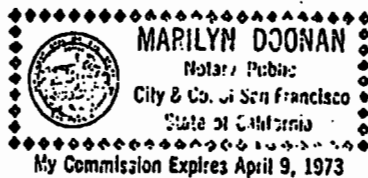

Joseph J. Carter


Richard G. Hildreth

STATE OF CALIFORNIA)
) SS:
CITY AND COUNTY OF SAN FRANCISCO)

On this 26th day of March, 1970, before me
a Notary Public in and for the City and County of San Fran-
cisco, State of California, duly commissioned and sworn,
personally appeared E. LEWIS REID, JOSEPH J. CARTER, and
RICHARD G. HILDRETH, known to me to be the persons whose
names are subscribed to the foregoing Articles of Incorporation
and acknowledged to me that they executed the same.

WITNESS my hand and official seal.



Marilyn Doonan
NOTARY PUBLIC



October 20, 2000

Kathleen Barrett
Claims Manager
FIREMAN'S FUND INSURANCE COMPANY
Sears Tower
233 South Wacker Drive, Suite 2200
Chicago, IL 60606

Re: Alameda County Superior Court Action #828495-0
Alice Ann Cox, et al. v. Amfac, Inc., dba: D/C Distribution

Policy Nos. : L1329023 (7/01/68 to 7/01/69)
LC1655700 (7/01/69 to 7/01/70)
Our File No. : 24104

Dear Ms. Barrett:

As you are aware from previous correspondence, we are independent claims administrators working on behalf of Amfac, Inc. and its various subsidiaries.

Amfac was served with the attached suit papers recently, but we do not know the exact date of service. We have referred this file to Roger Greenbaum at Folger, Levin & Kahn in San Francisco, and he has filed a Response Pleading on behalf of Amfac.

D/C Distribution, aka: Amfac Distribution, formally tenders defense of this case to your office and requests that you defend and hold them harmless according to your policies of insurance issued to Amfac Corporation.

Personal Privacy

D/C Distribution and its alternate entities allegedly supplied asbestos-containing products to job-sites where the deceased worked, or to his ex-employers.

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984



Kathleen Barrett/Fireman's Fund
October 20, 2000
Re: Cullen v. D/C Distribution
Our File No.: 24104
Page Two

Please confirm in writing within ten days that your company will defend, indemnify, and hold-harmless D/C Distribution and also confirm in writing your receipt of this tender.

We look forward to hearing from you in the very near future. Please do not hesitate to call either myself or Roger Greenbaum if you have any questions.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC,
Assistant Manager
(510) 633-5655

MC:kjh

Enclosure: 1. San Francisco County Superior Court Action No. 315105

cc: Lance Taylor
Claims Department
AMFAC, INC.

✓ cc: Roger A. Greenbaum
FOLGER, LEVIN & KAHN, LLP

Fireman's Fund
Insurance Company

November 2, 2000



Mike Churchich, CPCU, AIC
Assistant Manager
Acclamation Insurance Management Services
7901 Oakport Street, Suite 3100
Oakland, CA 94621

Re: *Oxford v. A.P. Green Industries, Inc.*
Insured: Amfac Corp.
Claim Number: 520 97 480244

Dear Mr. Churchich:

Fireman's Fund Insurance Company hereby acknowledges your request that we defend D/C Distribution aka Amfac Distribution Corp. in the matter entitled *Oxford v. A.P. Green Industries, Inc., et al.*, San Francisco County Superior Court case number 314462. Plaintiffs in that action seek damages for exposure to asbestos.

You have made the tender of defense pursuant to Fireman's Fund policies LC1655700 and L 1329023. While Fireman's Fund is aware of the prior policy, the company has no record of any policy bearing the number L 1329023. The insured bears the burden of establishing the existence of insurance applicable to any particular claim. Unless you can supply some documentary evidence confirming the existence and terms of L 1329023, we must decline to defend D/C under that policy.

With regard to LC 1655700, Amfac, Inc. is the named insured under that policy. You have represented that D/C was a subsidiary of Amfac, Inc.

Based upon your representation, Fireman's Fund agrees to defend D/C under a reservation of rights described more fully below. We must ask, however, for some documentary evidence of the subsidiary relationship between D/C and Amfac, Inc. Fireman's Fund reserves its right to withdraw from the defense of D/C absent such evidence.

Fireman's Fund expressly reserves any and all rights it may have under the terms of the policy or under the laws of the State of California. Fireman's Fund specifically reserves its right to file a declaratory relief action seeking a determination of its rights and obligations under the policy.

The company also reserves its right to withdraw from the defense of this litigation in the event that facts demonstrate that there is no potential coverage for claims against your client, or in the event that the applicable limits of coverage are exhausted. In addition, Fireman's Fund expressly reserves its right to seek reimbursement of some or all of the defense costs incurred on behalf of your client pursuant to *Buss v. Superior Court* (1997) 16 Cal.4th 35 and other applicable California law.

Major Case Units
Environmental Claims Facility
777 San Marin Drive
Novato, CA 94988-3400

Allianz Group

Mr. Mike Churchich
Re: Oxford v. A.P. Green Industries, Inc.
November 2, 2000
Page 2

Fireman's Fund has taken this position based upon the information currently available. It has reviewed plaintiffs' complaint, the LC 1655700 policy, and the other documents at our disposal. If there are further materials which you believe are relevant to the question of coverage, we would be pleased to consider them as well.

Personal Privacy



Personal Privacy



Amfac, Inc. was insured under the Fireman's Fund policy between July 1, 1969 and July 1, 1973. The policy provided coverage for "bodily injury . . . caused by occurrence. . . ." The term occurrence was defined to mean "an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury and personal injury or property damage neither expected nor intended from the standpoint of the insured. . . ." Fireman's Fund reserves the right to deny coverage for the *Oxford* claim on the grounds that no bodily injury occurred during the time the Fireman's Fund policy was in effect.

The limits of coverage provided by the policy changed over time. Fireman's Fund reserves the right to maintain that the damages sought by plaintiffs constituted a single occurrence subject to a single limit of coverage. Moreover, based on endorsements to the policy, those limits may include amounts spent on the cost of defense. In addition, the *Oxford* claim may be subject to a \$25,000 deductible to be paid by or on behalf of D/C.

Personal Privacy



A review of the complaint also reveals that D/C is charged with intentional misconduct as well as negligence. Under California law, there is no coverage for intentional wrongdoing.

Given the nature of the reservation of rights described in this letter, we do not currently believe that there is an actual conflict of interest between Fireman's Fund and your client. In the absence of such conflict, Fireman's Fund retains the right to control the defense of the litigation. We have assigned the defense of D/C to Kenneth Prindle, Esq. of the law firm of Prindle, Decker & Amaro. Mr. Prindle can be reached at 415-788-8354. His offices are located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Please ensure that the representatives of D/C and/or its corporate successors cooperate fully with Mr. Prindle and his colleagues.

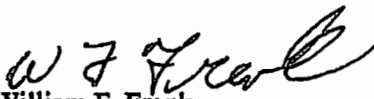
Mr. Mike Churchich
Re: Oxford v. A.P. Green Industries, Inc.
November 2, 2000
Page 3

The specific grounds of reservation set forth in this letter are not intended to be an exhaustive list of the rights of Fireman's Fund. Fireman's Fund reserves the right to supplement the bases for reservation or denial of coverage as additional information and material becomes available. As indicated above, Fireman's Fund also expressly reserves its right to withdraw from the defense and to seek reimbursement for any costs or fees incurred in D/C's defense if the facts, the law and evidence warrant such actions.

By continuing with this investigation, or by undertaking any other action which Fireman's Fund deems necessary, the company does not waive any defense to coverage it may have, whether asserted here or not. Again, if you believe that any aspect of this claim has been overlooked, or if you have any additional factual materials you would like us to consider, please contact us immediately.

If you believe that any part of this claim has been wrongfully denied or rejected, you may have the matter reviewed by the California Department of Insurance at 1-800-927-HELP. You may also write to the California Department of Insurance, Claims Service Bureau, 11th Floor, 300 South Spring Street, Los Angeles, California 90013.

Sincerely,


William F. Frank
Senior Litigation Analyst
Direct Dial: (415) 899-3696
Fax: (415) 899-3663

cc: Mr. Lorenzo Bracy
JMB Realty
900 North Michigan Ave.
Chicago, Ill 60611-1575

J. Christopher Bennington, Esq.

CARON, CONSTANTS & WILSON

Attorneys at Law

Chicago, Illinois
Rutherford, New Jersey
Dallas, Texas

500 North Brand Boulevard
Suite 400
Glendale, California 91203

Tel: (818) 547-6503
Fax: (818) 547-6582

J. Christopher Bennington
Direct Dial: (818) 547-6525

November 20, 2000

VIA FAX (312) 915-2310 & U.S. MAIL

Mr. Lorenzo Bracy
JMB Realty
900 North Michigan Avenue
Chicago, Ill 60611-1575

Re: *Amfac Asbestos Cases*
Claim No.: 520 97 480244

Dear Mr. Bracy:

As you will recall, this office represents Fireman's Fund Insurance Company with regard to the coverage issues raised by the various asbestos suits filed against Amfac Corporation and its claimed subsidiaries and successors-in-interest. I have tried to contact you several times in the last week or so, but unfortunately I have not been able to speak with you.

There are a number of matters that I would like to address with you. First, Fireman's Fund has determined to retain the services of Kenneth Prindle of the law firm of Prindle, Decker & Amaro to represent the Amfac entities, at least in those matters venued in northern California. Mr. Prindle's firm is located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Mr. Prindle can be reached at 415-788-8354.

The Prindle firm has extensive experience in handling asbestos claims, and Fireman's Fund believes that Mr. Prindle and his colleagues are able to defend the various claims against the Amfac entities in an efficient and consistent manner. Under the terms of the relevant policy, LC 1655700, and under the provisions of California law, Fireman's Fund retains the right to control the defense of these lawsuits.

We understand that the claims administrator for Amfac has directed some of the lawsuits to the firm of Folger, Levin & Kahn. We would ask that you assist Fireman's Fund in transferring those cases from the Folger firm to Mr. Prindle's office.

If you have some objections to the employment of the Prindle firm, we would ask that you raise those objections promptly.

Lorenzo Bracy, Esq.
Re: Amfac Asbestos Cases
November 20, 2000
Page 2

Second, in accepting the defense of various Amfac entities in several of the cases, we have asked for documentation of the corporate relationship between Amfac and those entities for which you have claimed coverage. We would reiterate our request for some documentation concerning those relationships. Such documentation is essential because many of the entities for which you seek coverage are nowhere mentioned in the Fireman's Fund policy or the policy endorsements.

Third, we have asked that Amfac and its related entities provide information about other insurance which might prove applicable to the claims which have been raised. We would renew that request, and ask for a full written exposition of all liability policies, both primary and excess, which were issued to Amfac, any of its subsidiaries, or any of its predecessors and successors-in-interest, and which were in effect at any time from at least the 1940s to the present. Some of the claims raised against Amfac involve exposures to asbestos that date back 50 years or more. Any such policies would potentially be triggered by those claims.

We realize that you have retained the services of an insurance archeologist to try and reconstruct Amfac's insurance history. Pending completion of that investigation, we would ask for a written interim report so that we can tender appropriate claims to other potentially responsible carriers.

We look forward to hearing from you at your earliest convenience. If you have any questions or comments, please feel free to call at any time.

Very truly yours,

CARON, CONSTANTS & WILSON



J. Christopher Bennington

cc: Mr. William F. Frank



November 21, 2000

Lance D. Taylor
Legal Department
AMFAC, Inc.
900 No. Michigan Ave., Suite 1700
Chicago, IL 60611-1575

RE: **Personal Privacy**

Dear Mr. Taylor:

This will supplement our November 8 initial report. Please see the attached Reservation of Rights letter from William Frank at Fireman's Fund, along with a copy of our response. His company has appointed Kenneth Prindle to handle defense.

Exactly where does this leave Folger, Levin and Kahn? Are they to continue to handle this case on behalf of Amfac Inc. personally? Are we to continue paying their invoices for any work past approximately 11/2/00? Please advise.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC,
Assistant Manager
(510) 633-5655

Enclosure: 1) November 2 Reservation of Rights Letter - Fireman's Fund
2) Letter to Fireman's Fund
3) Letter to Kenneth Prindle

✓ cc: Lorenz Bracy

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984





November 21, 2000

Kenneth Prindle
Prindle, Decker and Amaro
369 Pine Street, Suite 800
San Francisco, CA 94104

RE: Kenneth Oxford vs. Amfac, Inc.
Our File : 24103

Dear Mr. Prindle:

We are independent claims administrators working on behalf of Amfac, Inc. and D/C Distribution. William Frank at Fireman's has referred defense of this case to your office on their behalf.

Please note that Amfac, Inc. has already retained the law firm of Folger, Levin and Kahn, 275 Battery Street, 23rd Floor, San Francisco, California 94111, telephone (415) 986-2800, Attention: Roger Greenbaum. Please do not hesitate to contact him to coordinate defense activity.

With Mr. Frank's permission, I will also appreciate being placed on your permanent mailing list for reports, and other routine correspondence on this and any other Amfac asbestos case referred to your office. It is our duty to monitor these cases on behalf of Amfac, Inc., and this can be most efficiently done via copies of your correspondence. Thank you in advance for your anticipated cooperation.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC, Assistant Manager
(510) 633-5655

cc: Lance Taylor
cc: Lorenzo Bracy
✓ cc: William Frank

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984





November 21, 2000

William F. Frank, Senior Litigation Analyst
Fireman's Fund Insurance Company
Major Cases Unit
Environmental Claims Facility
777 San Marin Drive
Novato, CA 94998-3400

RE: **Personal Privacy**

Dear Mr. Frank:

This will acknowledge receipt of your November 2 Reservation of Rights letter, which unexpectedly only made it to our office today.

Per your request, attached are copies of notice/tender letters to Amfac's excess carriers.

We've also forwarded a copy of your November 2 letter to Amfac and to Roger Greenbaum at Folger, Levin and Kahn. Via copy of this letter we are requesting Mr. Greenbaum coordinate defense activities with Kenneth Prindle.

Thank you for your help in this matter.

Very truly yours,

ACCLAMATION INSURANCE MANAGEMENT SERVICES

Mike Churchich, CPCU, AIC, Assistant Manager
(510) 633-5655

cc: Lance Taylor
cc: Lorenzo Bracy
cc: Kenneth Prindle

7901 Oakport Street
Suite 3100
Oakland, CA 94621
510/633-5650
FAX 510/633-5673
CAL. LIC. 2772984



cc: Roger Greenbaum
Folger, Levin and Kahn
Embarcadero Center West
275 Battery Street, 23rd Floor
San Francisco, CA 94111
Matter No.: 11100-9134

BPS: Dear Roger:

Please note on page 2 of this letter that Fireman's Fund has assigned defense of the case to Kenneth Prindle at Prindle, Decker and Amaro. Please coordinate with him.

Mike Churchich

DEC. 19, 2000 2:37PM

CARON CONSTANTS

NO. 2471 P. 2

CARON, CONSTANTS & WILSON

Attorneys at Law

Chicago, Illinois
Rutherford, New Jersey
Dallas, Texas500 North Brand Boulevard
Suite 400
Glendale, California 91203Tel: (818) 547-6503
Fax: (818) 547-6582J. Christopher Bennington
Direct Dial: (818) 547-6525

December 19, 2000

By U.S. Mail and Facsimile Transmission 213-623-0824

Vernon Thomas Meador III, Esq.
Weston, Benshoof, Rochefort, Rubalcava & MacCuish, LLP
444 South Flower Street, Forty-Third Floor
Los Angeles, CA 90071Re: Amfac Asbestos Cases
Insured: Amfac Corporation
Policy No.: LC 1655700
Our File No.: DS105-1419

Dear Mr. Meador:

This letter is written in response to your correspondence of December 14, 2000. You have objected to the appointment of counsel selected by Fireman's Fund to defend the various asbestos claims brought against Amfac, its subsidiaries, and its claimed successors-in-interest. You insist that the decision of Fireman's Fund to reserve its right to deny coverage for intentional torts alleged against your clients has given rise to a conflict of interest. You argue that such conflict justifies the appointment of independent or "Cumis" counsel to defend the Amfac entities.¹

Fireman's Fund must disagree with your position. The company must also insist on exercising its contractual right to control the defense of these cases, at least until such time as you can demonstrate, or even suggest, the existence of a "significant" and "actual" conflict of interest.²

¹ I use the term "Amfac entities" to described all of those parties that have sought coverage under policy LC 1655700. Use of the term in no way constitutes an admission on behalf of Fireman's Fund that all such parties are, in fact, entitled to benefits under that policy. For example, Fireman's Fund is still investigating the issue of Northbrook's right to seek coverage under the policy issued to Amfac.

² *Dynamic Concepts, Inc. v. Truck Insurance Exchange* (1998) 61 Cal.App.4th 999, 1007.

DEC 20 '00 11:27

PAGE.003

*Fireman's
Fund
file*

DEC. 19. 2000 2:37PM

CARON CONSTANTS

NO. 2471 P. 3

Vernon Thomas Meador III, Esq.
 Re: Amfac Asbestos Cases
 December 19, 2000
 Page 2

Your position presumes that *any* reservation of rights based on intentional versus negligent conduct necessarily precipitates a conflict requiring the appointment of independent counsel. The law in California will not support such an expansive reading of Civil Code section 2860.³

To begin with, the language of the statute is permissive, not mandatory. Section (b) of the statute provides that "when an insurer reserves its rights on a given issue and the outcome of that coverage issue can be controlled by counsel first retained by the insurer for the defense of the claim, a conflict of interest *may* exist."

The court in *Dynamic Concepts* pointed to this language in rejecting the insured's "proposed per se rule requiring the appointment of independent counsel whenever a carrier issues a so-called 'global reservation of rights . . .'"⁴ It noted that subdivision (b) of section 2860 "uses the permissive 'conflict of interest may exist,' rather than the mandatory 'shall.' It does not clearly state when the right to an independent counsel vests."⁵

The *Dynamic Concepts* court also noted that by employing permissive language in section 2860, the Legislature rejected *dicta* in *Cianis* which would have made appointment of independent counsel more mechanical or automatic. The court wrote:

"In this regard Civil Code section 2860 overruled dicta in *San Diego Federal Credit Union v. Cumis Insurance Society, Inc.* The Legislature declined to adopt the absolutist view that insured appointed defense counsel will only offer token resistance to claims that fall outside a policy's coverage terms or limits or will steer the defense in a direction more favorable to the insurer."⁶

The reason for rejecting such an "absolutist" view is readily apparent. Under the provisions of Insurance Code section 533, carriers may not indemnify their insureds against "a

³ You and your client apparently agree that there is no conflict, and no basis for the appointment of independent counsel, created by the other reservations set forth in the letters issued by Fireman's Fund. In specific, Fireman's Fund has reserved its rights to deny coverage for damage occurring outside the policy term, and to deny liability for damages exceeding the limits of coverage provided by the policy. Fireman's Fund also reserves the right to challenge whether the policy provides coverage for the sundry entities claiming to be subsidiaries or successors-in-interest to Amfac.

⁴ These reservations point up another error in your letter. You assert that Fireman's Fund has admitted that claims of premises and product liability against Amfac "are fully covered." There is coverage for those claims only to the extent that they meet the terms of the policy, and to the extent that limits remain to respond to those claims. Fireman's Fund in no way concedes that such claims "are fully covered" in all circumstances or for all time.

⁵ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007.

⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007.

⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007, fn. 5.

limits
 INDEMNITY-
 DEFENSE:

DEC. 19. 2000 2:37PM CARON CONSTANTS

NO. 2471 P. 4

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 3

loss caused by the wilful act of the insured⁷ This prohibition is implied into every contract of insurance issued in California.⁸ Thus, there is at least an implied reservation of rights against indemnifying an insured for willful injury every time a carrier defends that insured against a claim of intentional tort. Under your view of the law, every allegation of intentional tort would give rise to a conflict of interest and the concomitant appointment of independent counsel.

I am unaware of any authority which would support such a broad reading of section 2860. And if the law were so expansive, it would invite collusion between insureds and claimants. Claimants would be encouraged to pursue questionable claims of intentional tort so that independent counsel would be appointed who could bring added pressure on the carrier to make a settlement favorable to the claimant. The law does not countenance such collusion.

In contrast to the rigid position you espouse, the California rules concerning the appointment of independent counsel are realistic and flexible. The courts have made it clear that "not every reservation of rights creates a conflict of interest,"⁹ and "not every conflict of interest triggers an obligation on the part of the insurer to provide the insured with independent counsel at the insurer's expense."¹⁰

Rather, the need for independent counsel must be assessed on a case-by-case basis. "The potential for conflict requires a careful analysis of the parties' respective interests to determine whether they can be reconciled . . . or whether an actual conflict of interest precludes insurer-appointed defense counsel from presenting a quality defense for the insured."¹¹

The key to determining the existence of a conflict sufficient to justify independent counsel is "whether the retained attorney in fact [is] subject to the conflicting forces which gave rise to *Cumt's*."¹² Independent counsel is only required in those situations where the insurance counsel has "an incentive to attach liability to the insured."¹³

⁷ Similarly, Civil Code section 1668 provides that "[a]ll contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law."

⁸ *J.C. Penney Casualty Insurance Co. v. M.K.* (1991) 52 Cal.3d 1009, 1019.

⁹ *Blanchard v. State Farm Fire & Casualty Co.* (1991) 2 Cal.App.4th 345, 350.

¹⁰ *Golden Eagle Insurance Co. v. Foremost Insurance Co.* (1993) 20 Cal.App.4th 1372, 1394.

¹¹ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007-1008.

¹² *Gulf Insurance Co. v. Berger, Kahn, Shafon, Moss, Figler, Simon & Gladstone* (2000) 79 Cal.App.4th 114, 131, quoting from *Native Sun Investment Group v. Ticor Title Insurance Co* (1987) 189 Cal.App.3d 1265, 1277-1278.

¹³ *Gulf Insurance Co. v. Berger, Kahn, supra*, 79 Cal.App.4th 114, 131, citing *Blanchard, supra*, 2 Cal.App.4th 345, 350.

DEC. 19, 2000 2:38PM CARON CONSTANTS

NO. 2471 P. 5

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 4

There is no such incentive in the present case. As noted in our prior correspondence, the establishment of intentional concealment or other misconduct against Amfac in no way acts to eliminate its potential liability as a product distributor or as a premises owner.

Given the latency of the asbestos disease processes, a plaintiff could well allege that at the time of his first exposure, Amfac was merely negligent in distributing an asbestos-containing product. That plaintiff might also allege that Amfac later became aware of the dangers presented by asbestos and acted in concert with other defendants to conceal those dangers. However, the allegation of this later concealment in no way changes Amfac's potential liability for its original claimed negligence.

Thus, these cases against Amfac present no incentive for Mr. Prindle or any other counsel selected by Fireman's Fund to violate their ethical obligation to "[present] a quality defense for the insured."¹⁴ Absent that incentive, there is no basis for the appointment of independent counsel.

This is especially clear where the claims of intentional misconduct on the part of Amfac are made through the use of boilerplate language in mass-produced complaints. There are no allegations particular to Amfac. Amfac's alleged misconduct, and the conflict it supposedly engenders, are at best "vague, ephemeral and highly theoretical."¹⁵

As noted in our prior correspondence, the appointment of independent counsel is not required unless the conflict is "significant, not merely theoretical, actual, not merely potential."¹⁶ There is no actual conflict at the present time. There is certainly no requirement that Fireman's Fund appoint independent counsel "pending a further analysis of the *Cumis* issue."¹⁷

The burden of establishing a conflict sufficient to justify the appointment of independent counsel rests with the insured. Amfac would be required to show "in what specific way the defense attorney could have controlled the outcome of the damage issue to [its] detriment, or had incentive to do so."¹⁸

If you have any evidence or argument which would suggest such an incentive on the part of appointed defense counsel, we would be glad to review it. But we have seen no evidence or indication of an actual conflict thus far.

¹⁴ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1007-1008.

¹⁵ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1009.

¹⁶ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1006. See, also, *Lehto v. Allstate Insurance Co.* (1994) 31 Cal.App.4th 60, 71, and *Gulf Insurance Co. v. Berger, Kahn, supra*, 79 Cal.App.4th 114, 130.

¹⁷ *Dynamic Concepts, supra*, 61 Cal.App.4th 999, 1006.

¹⁸ *Blanchard, supra*, 2 Cal.App.4th 345, 350.

DEC. 19. 2000 2:38PM

CARON CONSTANTS

NO. 2471 P. 6

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
December 19, 2000
Page 5

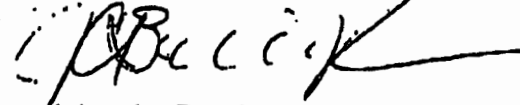
In the absence of an actual and significant conflict, Fireman's Fund retains the right to control the defense of these cases. It holds the right to select defense counsel. In exercising that right, it has chosen Kenneth Prindle to defend the Amfac entities. Fireman's Fund will expect your clients to cooperate with Mr. Prindle in the defense of these matters. To that end, we would ask that Amfac take steps to insure that the transfer of the files from the Folger firm to Mr. Prindle's office begins no later than Friday, January 12, 2001.

If Amfac wishes to select its own counsel to associate with Mr. Prindle's firm, it has every right to do so. However, the cost of such counsel must be borne by Amfac alone.

We look forward to your response.

Very truly yours,

CARON, CONSTANTS & WILSON



J. Christopher Bennington

cc: Mr. William F. Frank

JAN 18 2001 11:51AM

CARON CONSTANTS

NO. 2897 P. 2

CARON, CONSTANTS & WILSON

Attorneys at Law

Chicago, Illinois
Rutherford, New Jersey
Dallas, Texas500 North Brand Boulevard
Suite 400
Glendale, California 91203Tel: (818) 547-6503
Fax: (818) 547-6582J. Christopher Bennington
Direct Dial: (818) 547-6525

January 18, 2001

U.S. Mail and Facsimile Transmission to 213-623-0824

Vernon Thomas Meador III, Esq.
Weston, Benshoof, Rochefort, Rubalcava & MacCuish, LLP
444 South Flower Street, 43rd Floor
Los Angeles, CA 90071

Re: Amfac Asbestos Cases

Dear Mr. Meador:

I take this opportunity to confirm some of the topics of our discussion last week concerning the various Amfac asbestos cases. Among other things, we discussed the selection of defense counsel for those cases venued in California, and resolution of the *Ledesma* matter.

Let me begin with the issue of defense counsel. As you know, Fireman's Fund has selected Kenneth Prindle of Prindle, Decker & Amaro to act as defense counsel for Amfac and its various subsidiaries and successors. To date, your principal has been directing the asbestos cases to the Folger firm.

You inquired as to whether or not Fireman's Fund would be willing to agree to continue using the Folger firm as defense counsel so long as they abide by the attorney fees restrictions imposed by Civil Code section 2860. I indicated that my client would not be willing to use the Folger firm. As I indicated, there have been reports that Mr. Greenbaum has developed an antagonism with some of the plaintiffs attorneys in these cases, and that the bad blood has caused settlement and defense costs to escalate. The recently settled *Perkins* case is apparently a good example of the problem.

As noted in our earlier correspondence, absent a significant and actual conflict between the parties, Fireman's Fund retains the right to control the defense and assign defense counsel. Fireman's Fund has selected Mr. Prindle.

You asked for another couple of weeks to discuss the issue of defense counsel with your client. While we have no objection to your request, your client must understand that Mr. Prindle stands ready to defend the various cases. Fireman's Fund will not be reimbursing Amfac for costs incurred by the Folger firm during this period of time. I would also ask that you instruct

JAN 19 '01 18:13

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18. 2001 11:51AM CARON CONSTANTS

NO. 2897 P. 3

Vernon Thomas Meador III, Esq.
Re: Amfac Asbestos Cases
January 18, 2001
Page 2

the Folger firm to make the files available for review by Mr. Prindle and his associates. There is no reason to delay their chance to review these matters so that they can be "up to speed" if and when your client agrees for the transfer.

Let me turn to the *Ledesma* matter. As I indicated to you on the telephone, I believe that Fireman's Fund has an obligation to reimburse your client for a portion of the costs incurred in defending and settling this matter. However, Fireman's Fund is only obligated to indemnify Amfac for that portion of the damage which occurred while Fireman's Fund was on the risk. Fireman's Fund will also have a pro rata share of defense costs.

In order to resolve this matter as quickly as possible, it is essential that we work together to recreate the Amfac insurance history as far back as possible. To date, we have sketchy information dealing primarily with excess coverage. It should be our goal to determine all primary and excess coverage available to Amfac going back at least as far as the end of the war.

Given the exposure to Northbrook in cases such as *Ledesma*, we should also make an effort to recreate Northbrook's own insurance history. At this point, I have no information whatsoever about the Northbrook carriers.

I would appreciate an update from you about the status of the "archaeological" investigation currently underway. As I mentioned to you, I had a discussion with Mr. Bracy many months ago. He told me that Northbrook/JMB had retained the services of an insurance archaeologist to try and recreate the Amfac insurance history. Has a report been prepared? Has the investigation been concluded?

You also mentioned that you would like to arrange for a meeting in the relatively near future. I think that would be of benefit to all concerned. Mr. Frank, my client's claims representative, will join us if we can find a mutually convenient date. I believe any such meeting should include a discussion of the defense counsel issue, though I would expect and hope that the decision to transfer the files to Mr. Prindle will have been made by that time. I think we should also plan to discuss the insurance history issues and to try and estimate the ultimate number of asbestos claims and the potential exposure to Amfac.

I look forward to hearing from you at your convenience.

Very truly yours,

CARON, CONSTANTS & WILSON


J. Christopher Bennington

JCB:ea

cc: Mr. William F. Frank

JAN 19 '01 18:13

213 623 0824 PAGE.004



WESTON BENSHOOF
ROCHEFORT RUBALCAVA MACCUISH^{LLP}
ATTORNEYS AT LAW

Direct Dial: (213) 312-2829
tmeador@wbcounsel.com

January 29, 2001

VIA FACSIMILE and U.S. MAIL
(818) 547-6582

J. Christopher Bennington, Esq.
Caron, Constants & Wilson
500 North Brand Boulevard
Suite 400
Glendale, CA 91203

Re: *Oxford v. A.P. Green Industries, Inc.*
Insured: Amfac Corp.
Your Claim No.: 520-97-480244

Dear Mr. Bennington:

We are in receipt of your letter dated January 18, 2001, concerning some of the defense counsel issues in the above-referenced matter, as well as a letter dated November 2, 2000, from William Frank on behalf of Fireman's Fund. We respond to both letters more fully below.

Amfac, Inc. was insured under the Fireman's Fund policy (No. LC 1655700) from July 1, 1969 until July 1, 1973, when it was canceled by Amfac. In Mr. Frank's recent correspondence, he raised the issue of whether the above-referenced claim might be "subject to a \$25,000 deductible." He also indicated that Fireman's Fund believed that the policy limits might be reduced by "amounts spent on the cost of defense." Based upon our review of the policy language including all of the endorsements, we respectfully disagree with your contentions and set forth below our reasoning.

Fireman's Fund's liability is neither conditioned upon nor reduced by payment of any deductible amount. The subject policy did not contain a deductible until July 1, 1972. [See, Endorsement No. 33.] As a result, any claims which trigger coverage for the period July 1, 1969 through July 1, 1972, no deductible exists. Since the *Oxford* claim involved

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444 SOUTH FLOWER STREET, FORTY-THIRD FLOOR • LOS ANGELES, CA 90071 • TEL 213 623 2322 • FAX 213 623 0824

ONE BOARDWALK, SUITE 102 • THOUSAND OAKS, CA 91360 • TEL 805 497 9474 • FAX 805 497 8804

covered occurrences which took place prior to the effective date of the deductible endorsement, neither Amfac nor any other insured is responsible to satisfy such deductible amounts with respect to this claim. Your contention that payments made by Fireman's Fund to defend the *Oxford* claim will reduce the limits of liability is without merit for several reasons.

First, there is nothing in the body of the policy which supports such a position. In fact, the opposite is true. Under Section III of the policy (entitled "Limits of Liability") no reference whatsoever is made to reducing the limits of liability by the amounts expended in fulfilling Fireman's Fund's "duty to defend any suit against the Insured seeking damages on account of such Bodily Injury, Personal Injury or Property Damage even if any of the allegations of the suit are groundless, false or fraudulent." Additionally, Section V of the subject policy (entitled "Supplementary Payments") also belies the carrier's position in this regard. Under that section, Fireman's Fund agreed to pay "**in addition to the applicable limit of liability . . . all expenses incurred by the Company . . . in any suit defended by the Company.**" [See, Section V (a).] Note well that the highlighted language remained part of the policy despite revisions to Section V as set forth in Endorsement No. 32 (also effective July 1, 1972).

The deductible language contained in Endorsement 33 is ambiguous and, therefore, will be construed against imposing any deductible amount for any part of the *Oxford* claim. The endorsement provides, in relevant part:

DEDUCTIBLE: \$25,000, shall be deducted from the total amount, including all expenses as defined, of all sums which the Insured shall be legally obligated to pay as the result of one occurrence.

Interestingly, neither the Endorsement nor the policy provides a definition for the term "expenses" and, therefore, cannot be deemed to include defense costs. Additionally, the modifier "all sums which the Insured shall be legally obligated to pay" supports the position that defense costs do not reduce the applicable limits of liability. The policy specifically and expressly provides that the deductible amount, if applicable, is only deducted from the amount Amfac is legally obligated to pay, as opposed to defense costs which Fireman's Fund (not Amfac) is legally and contractually obligated to pay.

By expressly reserving Fireman's Fund's purported right to "seek reimbursement of some or all of the defense costs incurred on behalf of [Amfac]" as well as your invocation of *Buss v. Superior Court* (1997) 16 Cal.4th 35, coupled with the proposed counsel to be appointed by the insurer, creates a conflict of interest requiring the appointment of independent counsel under California Civil Code § 2860.

The court in *Dynamic Concepts, Inc. v. Truck Ins. Exchange* (1998) 61 Cal.App.4th 999, 71 Cal.Rptr.2d 882, recognized the possibility that a conflict of interest may be created by virtue of an insurer's reservation of the right to seek reimbursement of defense costs. The court also noted, without deciding, "whether an insurer may be estopped from seeking reimbursement from its insured for the defense costs of uncovered claims when it insists upon appointed counsel rather than allowing the insured to control the defense, with its accompanying control and oversight over defense fees and costs." *Id.* at 1008, n. 6. In other words, Fireman's Fund cannot have its cake and eat it too.

In order for Fireman's Fund to reserves its right to be reimbursed for defense costs for uncovered claims, it must relinquish control over the defense as well as any right it might have to appoint counsel. If Fireman's Fund insists on retaining its reservation of the right to seek reimbursement and retaining complete control over the selection of counsel and defense of the action, Amfac is prejudicially placed in the untenable position of facing the possibility of having to reimburse Fireman's Fund for costs over which it had no control. However, as set forth in your letter of November 2, Fireman's Fund expressly "retains the right to control the defense of the litigation" and have "assigned the defense of D/C to Kenneth Prindle" of the firm of Prindle, Decker & Amaro."

The incongruity which exists between reserving the right to seek reimbursement and retaining complete control of the defense creates a conflict of interest sufficient to trigger Fireman's Fund's obligation to provide Amfac with independent counsel. Further, by insisting on appointing an insurance defense firm which currently represents other suppliers and distributors in a number of asbestos actions involving Amfac and related entities, Fireman's Fund has created a different and more disturbing conflict of interest. Because of this clear conflict of interest, the Prindle firm should not represent Amfac's interests in the underlying litigation.

As noted by the court in Gulf Ins. Co. v. Berger, Kahn, Shafton, Moss, Figler, Simon & Gladstone (2000) 79 Cal.App.4th 114, 93 Cal.Rptr.2d 534, “[a] disqualifying conflict exists if ‘insurance counsel had . . . incentive to attach liability to [the insured].’ [Citation] ‘The test is whether the conflict “precludes the insurer-appointed defense counsel from presenting a quality defense for the insured.”’” Id. at 131. Here, the Prindle firm would have incentive to attach liability to Amfac (as opposed to other suppliers and distributors they represent). There also exists a tremendous incentive for the Prindle firm, as well as Fireman’s Fund, to attempt to shift Amfac’s liability from covered to uncovered claims and to segregate defense costs in such a way as to attribute a greater percentage of fees and costs to uncovered claims.

Although we are not privy to whether or not Fireman’s Fund requires the Prindle firm to abide by litigation guidelines promulgated by the insurer, we note that the court in Dynamic Concepts, supra,

“question[ed] the wisdom and propriety of so-called ‘outside counsel guidelines’ by which insurers seek to limit or restrict certain types of discovery, legal research, or computerized legal research by outside attorneys they retain to represent their insured where there is a potential for an uncovered claim. Some guidelines go so far as to call for the use of paralegals, rather than attorneys, to respond to ‘routine’ discovery requests or prohibit the retention of experts or the filing of certain pretrial motions until shortly before trial. Under no circumstances can such guidelines be permitted to impede the attorney’s own professional judgment about how best to competently represent the insureds.”

In your letter of January 18, you make two statements which are not supported by California insurance law. First, you state that during the time when the parties are deciding whether the Prindle firm can properly represent Amfac’s interests, “Fireman’s Fund will not be reimbursing Amfac for costs incurred by the Folger firm.” Having formally acknowledged a duty to fund the defense of the underlying action, Fireman’s Fund cannot properly withhold such funds unless and until Amfac agrees to a particular legal point with is in dispute. Such an ultimatum clearly violates several regulations contained in

California's Fair Claims Settlement Regulations contained in Title 10 of the California Code of Regulations. Similarly, your effort to unilaterally limit Fireman's Fund's defense obligations to a "pro rata share of defense costs" violates California law.

In Horace Mann Ins. Co. v. Barbara B., 4 Cal.4th 1076, 17 Cal.Rptr.2d 210, 846 P.2d 792 (1993), the California Supreme Court expressly stated that "an insurer has a duty to defend the *entire third party action* if any claim encompassed within it potentially may be covered." *Id.* at 1084. Similarly, the court held in Haskel, Inc. v. Superior Court, 33 Cal.App.4th 963, 39 Cal.Rptr.2d 520 (1995), if an insurer "owes *any* defense burden, it must be *fully borne* [by that insurer] with allocations of that burden among other responsible parties to be determined later." *Id.* at 976, n. 9. In fact, one of the carriers in Haskel attempted to limit its defense obligations to a 13% share of the costs. The court treated that effort "as the equivalent of a defense denial," commenting that "[s]uch a unilateral limitation of its responsibility is not justified." *Id.* The same holds true here. Fireman's Fund cannot acknowledge a potential for coverage and a duty to defend and then unilaterally re-write its policy to limit its obligation to provide a defense to the entire action by accepting only a 20% share of that burden.

The facts of this case are closely analogous to those confronted by the court in County of San Bernardino v. Pacific Indemnity Co., 56 Cal.App.4th 666, 65 Cal.Rptr.2d 657 (1997). In that case, Pacific Indemnity had provided the County of San Bernardino with primary CGL insurance for more than 25 years (from 1947 through 1972). When those policies terminated, the County did not obtain replacement coverage, but instead chose to insure itself on a primary level.

During the time Pacific's policies were in effect and continuing after their expiration, the County operated a landfill. More than a decade after Pacific's policies had expired, owners of land adjacent to the landfill filed lawsuits against the County seeking recovery of property damage caused by toxic fumes emitted from the site. The County tendered the defense of the underlying action to Pacific which provided a defense under a reservation of rights and demanded that the County, as "self-insured," pay a portion of its own defense costs.

The County sued Pacific seeking a declaration that a potential for coverage existed, thereby triggering Pacific's defense obligations, and that the insurer was responsible

for all defense costs. The trial court summarily adjudicated that a potential for coverage existed and denied summary judgment on the shared defense issue. In order to perfect the right to appeal, the parties stipulated to entry of judgment that Pacific had a duty to defend the County and that Pacific was responsible for 50% of the reasonable defense costs incurred in the underlying actions. Both sides appealed. The court of appeals affirmed the finding that a duty to defend existed at all times, but reversed the holding that the County had to contribute to its own defense costs.

With respect to the first issue, the court in County of San Bernardino concluded that "Pacific had a duty to defend both underlying actions as a matter of law since the underlying complaints revealed a potential for coverage." Id. at 688. It noted:

Asserting that Pacific's duty to defend was triggered by the existence of the potential for coverage with respect to the underlying actions, the County contends it was entitled to a complete defense of those underlying actions even if property damage potentially occurred in whole or in part after expiration of Pacific's policies." Id. at 689.

The court of appeals agreed with the County's contentions. In that case, the court concluded that the County was an insured rather than an insurer, despite being self-insured after 1973. It also found this distinction to be critically important, concluding that "an allegation of self-insurance, which is equivalent to no insurance, is repugnant to the concept of insurance which fundamentally involves the shifting to a third party, by contract, for consideration, the risk of loss as a result of an incident or event." Id. at 690, n. 19.

With respect to the distinction between apportioning between and among insurers versus between an insurer and its insured, the court noted:

"The insurance policies obligate the insurers to pay on behalf of a policyholder "all sums" that the policyholder becomes legally obligated to pay as damages because of bodily injury during the policy period. We interpret this language to mean that once coverage is triggered, the insurer's obligations to the policyholder is to cover the policyholder's liability "in full" up

to the policy limits. *It is irrelevant that only part of the injury developed during any single policy period or during a period in which the manufacturer had no insurance.*” *Id.* at 691, n. 20.

The court in County of San Bernardino ultimately concluded that since the County was not an insurer for purposes of allocation of defense costs, “Pacific remained contractually obligated to provide the County with a *complete defense* of those underlying actions, *not simply a ‘share’ of such defense.*” *Id.* at 691. The court reversed the trial court’s order apportioning defense costs between the insurer and the insured and directed the lower court to “enter a new judgment declaring Pacific is obligated to pay all the County’s reasonable defense costs.” *Id.* at 693. Here, Fireman’s fund cannot simply pay a “share” of the defense costs incurred in the underlying action. It’s obligation is to fund the entire defense without pre-conditions or limitations.

Based upon the foregoing, Amfac respectfully requests that Fireman’s Fund:

- (1) confirm that it will pay for the reasonable defense costs, without interruption and without being conditioned upon acceptance of a transfer to the Prindle firm, especially in light of the concerns outlined above;
- (2) acknowledge that it cannot pay only a pro rata share of defense costs, regardless of whether part of the loss may fall outside the period of coverage under policies issued by Fireman’s Fund;
- (3) either (a) withdraw it’s reservation of the right to seek reimbursement of defense costs for uncovered claims or (b) if Fireman’s Fund persists in reserving any right it may have to later seek reimbursement of defense costs, then it must relinquish control of the defense of this case as well as selection of defense counsel.

J. Christopher Bennington, Esq.


January 29, 2001

Page 8

In the event Fireman's Fund refuses both options listed above, then Amfac requests that it be allowed, at Fireman's Fund's expense, to select and retain independent counsel based on the conflicts listed above.

We look forward to your response and anticipated cooperation.

Very truly yours,



Vernon Thomas Meador, III
WESTON, BENSHOOF,
ROCHEFORT, RUBALCAVA & MacCUISH LLP

VTM/ngf

J. Christopher Bennington, Esq.
January 29, 2001
Page 9

bcc: Lorenzo Bracy

Fireman's Fund
Insurance Company



August 24, 2001

Mike Churchich, CPCU, AIC
Assistant Manager
Acclamation Insurance Management Services
7901 Oakport Street, Suite 3100
Oakland, CA 94621

Re: *Thompson v. Asbestos Defendants (BHC)*
Insured: Amfac Corp.
Claim No.: 520 97 480244
Your File No.: 24192

Dear Mr. Churchich:

Fireman's Fund Insurance Company hereby acknowledges your request that we defend D/C Distribution aka Amfac Distribution Corp. in the matter entitled *Thompson v. Asbestos Defendants (BHC)*, San Francisco County Superior Court case number 320585. Plaintiffs in that action seek damages for exposure to asbestos.

You have made the tender of defense pursuant to Fireman's Fund policies LC1655700 and L 1329023. While Fireman's Fund is aware of policy LC 1655700, the company has no record of any policy bearing the number L 1329023. The insured has the burden of establishing the existence of insurance applicable to any particular claim. Unless you can supply some documentary evidence confirming the existence and terms of L 1329023, the company must decline to defend D/C under that policy.

With regard to LC 1655700, Amfac, Inc. is the named insured under that policy. You have represented that D/C was a subsidiary of Amfac, Inc.

Based upon your representation, Fireman's Fund agrees to defend D/C under a reservation of rights described more fully below. We must ask, however, for some documentary evidence of the subsidiary relationship between D/C and Amfac, Inc. Fireman's Fund reserves its right to withdraw from the defense of D/C absent such evidence.

Historical Claims Department
777 San Marin Drive
Novato, CA 94998-3400

Allianz Group

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
August , 2001
Page 2

Fireman's Fund expressly reserves any and all rights it may have under the terms of the policy or under the laws of the State of California. Fireman's Fund specifically reserves its right to file a declaratory relief action seeking a determination of its rights and obligations under the policy.

The company also reserves its right to withdraw from the defense of this litigation if facts demonstrate that there is no potential coverage for claims against your client, or if the applicable limits of coverage are exhausted. In addition, Fireman's Fund expressly reserves its right to seek reimbursement of defense costs incurred in the defense of uncovered claims. *Buss v. Superior Court* (1997) 16 Cal.4th 35.

Fireman's Fund also reserves the right to negotiate a reasonable settlement of the *Thompson* lawsuit and then seek reimbursement from your client of sums spent settling any non-covered claims. *Blue Ridge Insurance Company v. Jacobsen* (2001) 25 Cal.4th 489.

Fireman's Fund has taken this position based upon the information currently available. It has reviewed the plaintiffs' complaint, the policy, and the other documents at our disposal. If there are additional materials which you believe are relevant to the question of coverage, we would be pleased to consider them as well.

Personal Privacy



Personal Privacy



Amfac, Inc. was insured under the Fireman's Fund policy between July 1, 1969 and July 1, 1973. The policy provided coverage for "bodily injury . . . caused by occurrence. . . ." The term occurrence was defined to mean "an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury and personal injury or property damage neither expected nor intended from the standpoint of the insured. . . ." Fireman's Fund reserves the right to deny coverage for the *Thompson* claim on the grounds that no bodily injury occurred during the time the Fireman's Fund policy was in effect.

The limits of coverage provided by the policy changed over time. Fireman's Fund reserves the right to maintain that the damages sought by plaintiff constitute a single occurrence subject to a single limit of coverage. Moreover, based on endorsements to the policy, those limits may include amounts spent on the cost of defense. In addition, the *Thompson* claim may be subject to a \$25,000 deductible to be paid by or on behalf of D/C.

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
August , 2001
Page 3

Personal Privacy



A review of the complaint also reveals that D/C may be charged with intentional misconduct as well as negligence. Under California law, there is no coverage for intentional wrongdoing.

Given the nature of the reservation of rights described in this letter, we do not currently believe that there is an actual conflict of interest between Fireman's Fund and your client. In the absence of such conflict, Fireman's Fund retains the right to control the defense of the litigation. We have assigned the defense of D/C to Kenneth Prindle, Esq. of the law firm of Prindle, Decker & Amaro. Mr. Prindle can be reached at 415-788-8354. His offices are located at 369 Pine Street, Suite 800, San Francisco, California, 94104. Please ensure that the representatives of D/C and/or its corporate successors cooperate fully with Mr. Prindle and his colleagues.

The specific reservations set forth in this letter do not comprise an exhaustive list of the company's rights. Fireman's Fund reserves the right to supplement its bases for reservation or denial of coverage as additional information and materials become available.

If you believe that any part of this claim has been wrongfully denied or rejected, you may have the matter reviewed by the California Department of Insurance at 1-800-927-HELP. You may also write to the California Department of Insurance, Claims Service Bureau, 11th Floor, 300 South Spring Street, Los Angeles, California 90013.

Sincerely,

William F. Frank
Senior Litigation Analyst
Direct Dial: (415) 899-3696
Fax: (415) 899-3663

cc: Lorenzo Bracy, Esq.
JMB Realty

J. Christopher Bennington, Esq.
Vernon Thomas Meador III, Esq.
Kenneth Prindle, Esq.

Mr. Mike Churchich
Re: *Thompson v. Asbestos Defendants (BHC)*
August , 2001
Page 4

Thomas Meador, Esq.
McClintock, Weston, Benshoff, Rochefort,
Rubalcava & MacCuish
444 South Flower Street, 43rd Floor
Los Angeles, CA 90071

Lorenzo Bracy, Esq.
General Counsel
JMB Realty Corporation
900 North Michigan Avenue
Chicago, IL 60611-1575

Ken Prindle, Esq.
Prindle, Decker & Amaro
310 Golden Shore, 4th Floor
P.O. Box 22711
Long Beach, CA 90801-5511



FIREMAN'S FUND
AMERICAN INSURANCE COMPANIES

CANCELLED POLICY

PREMIUM ADVISE

Perm Charge out 10-30-72 auto

AGENT'S NAME AND LOCATION <i>Amfac Controlled Bus. Hono. Hi</i>	POLICY NUMBER <i>LC 1655700</i>	CANC. DATE <i>7/1/73</i>	EXP. DATE <i>until cancelled</i>
NAME OF INSURED <i>Amfac Inc. et al</i>	METHOD OF CANCELLATION <input checked="" type="checkbox"/> PRO RATA % <input type="checkbox"/> SHORT RATE % <input type="checkbox"/> FLAT <input checked="" type="checkbox"/> ON ANNIVERSARY DPP PLAN ONLY		

REQUEST FOR CANCELLATION HAS BEEN RECEIVED. <input type="checkbox"/> WE ARE CREDITING YOUR ACCOUNT WITH GROSS RETURN PREMIUM SHOWN BELOW. <input checked="" type="checkbox"/> PREMIUM COMPUTATION WILL BE MADE BY PREMIUM AUDIT CENTER. <input type="checkbox"/> UNDERWRITTEN		<input type="checkbox"/> DIFFERENCE IN RETURN PREMIUM COMPUTATIONS YOU SHOW \$ WE FIGURE \$ <input type="checkbox"/> EARNED PREMIUM FOR TOTAL TIME POLICY IS IN FORCE \$ (DEDUCT PREMIUMS PAID TO OBTAIN AMOUNT DUE COMPANY)	
RETURN PREMIUMS			
GROSS RETURN PREMIUM <i>JUN 27 1973</i>	\$	AUTO ONLY	
LESS INSTALLMENTS DUE AFTER CANCELLATION DATE <i>REINOLDED</i>	\$	LIABILITY	\$
CASH RETURN PREMIUM	\$	PHYSICAL DAMAGE	\$

PREPARED BY <i>J. Dressler</i>	DATE <i>6/27/73</i>	OFFICE <i>Honolulu</i>
-----------------------------------	------------------------	---------------------------

IF YOU DO NOT AGREE WITH THESE FIGURES, PLEASE RETURN THIS FORM WITH YOUR COMPUTATION SHOWN ON THE BACK.

CANCELLATION REASON <input checked="" type="checkbox"/> INSURED'S ELECTION <input type="checkbox"/> OUT OF BUSINESS COMPANY ELECTION (FOR CAUSE) <input type="checkbox"/> REWRITTEN <input type="checkbox"/> NON-PAYMENT OF PREMIUM <input type="checkbox"/> NON-SUBMISSION OF VOLUNTARY REPORT <input type="checkbox"/>	POLICY RETURN PREMIUMS		
	BI \$	PD \$	FIRE \$
	PIP \$	BPP \$	EC \$
	XPIP \$	SPE \$	HO \$
	MP \$	PHY DAM \$	IM \$
	UM \$	COLL \$	BURG \$
	AD & D \$	\$	TBD or \$ Audit
	\$	TOTAL \$	TOTAL \$

485052-2-72

PROCESSING COPY

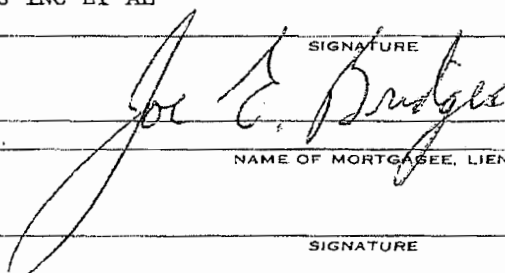
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RELEASE FOR LOST OR CANCELLED POLICY

The undersigned jointly and severally, as the insured and, if applicable, mortgagee, lienholder or loss payee, does hereby release and discharge the company or companies issuing the policy designated herein from any and all liability, claims or demands whatsoever under said policy with respect to any loss through or caused by any act or event occurring after the effective date of this release at the standard time specified in the policy.

In consideration thereof, adjustment of premium will be made for the period said policy was in effect in accordance with all the provisions of the policy having reference thereto.

POLICY NUMBER LC 165 5700	FIREMAN'S FUND INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS NATIONAL SURETY CORPORATION THE AMERICAN INSURANCE COMPANY AMERICAN AUTOMOBILE INSURANCE COMPANY ASSOCIATED INDEMNITY CORPORATION
EFFECTIVE DATE OF RELEASE 7-1-73	
AGENT OR BROKER Amfac Controlled Business	

NAME OF INSURED AMFAC INC ET AL	
SIGNATURE 	DATE SIGNED 6/26/73
NAME OF MORTGAGEE, LIENHOLDER OR LOSS PAYEE	
SIGNATURE	DATE SIGNED

485044-3-66

PROCESSING COPY

FFIC000291

This endorsement modifies such insurance as is afforded by the provisions of policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY
INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY
INSURANCE

OWNERS' LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY INSURANCE —
NEW YORK DEPARTMENT OF PUBLIC WORKS
STOREKEEPER'S INSURANCE

UNDERWRITTEN

END #28

UND GROUP
C

EXCLUSION
(Contamination or Pollution) G-335

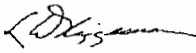
JUL 13 1972

HONOLULU

It is agreed that the insurance does not apply to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

ACCEPTED: **NON-MONEY**

NAMED INSURED

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	07-01-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS		PRODUCER AMFAC CONTROLLED BUSINESS 52011777
 PRESIDENT		COUNTERSIGNATURE OF AUTHORIZED AGENT

105118-5-70

FFIC000292

END #7

Attach
IT IS AGREED THAT THE LIMITS OF THE COMPANY'S LIABILITY AS
STATED IN PARAGRAPH 111 OF THE POLICY, ARE AMENDED AS FOLLOWS:

COVERAGES A & C \$250,000 EACH PERSON

\$500,000 EACH OCCURRENCE

\$500,000 AGGREGATE

CANCELLED

Effective

PR ☐

SR ☐

FLAT ☒

Return Premium \$

☐ Ins. Req.

☐ Non-Pay

☐ Co's. Elec.

☐ Rewritten

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>[Signature]</i> PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 5201.1777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000293

END #7

IT IS AGREED THAT THE LIMITS OF THE COMPANY'S LIABILITY AS
STATED IN PARAGRAPH 111 OF THE POLICY, ARE AMENDED AS FOLLOWS:

COVERAGES A & C \$250,000 EACH PERSON

\$500,000 EACH OCCURRENCE

\$500,000 AGGREGATE

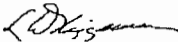
NON-MONEY

UND GROUP
C

UNDERWRITTEN

JUN 12 1970

HONOLULU

POLICY NUMBER LC 165 5700	INSURED ATTACH TO DAILY REPORT, - FRONT AMFAC CONTROLLED BUSINESS	EFFECTIVE 01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000294

Per Agent to AmB

C-1
10/30/72
X

It is agreed that the insurance afforded by the policy applies subject to the following provisions:

- I. **DEDUCTIBLE:** \$25,000. shall be deducted from the total amount, including all expenses as defined, of all sums which the Insured shall be legally obligated to pay as the result of one occurrence. The Company shall be liable only for the difference between the applicable limit of liability as stated in the policy and the deductible amount applicable to each occurrence subject to the following:

- A. The terms of the policy, including those with respect to notice of occurrence and the Company's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount.
- B. The Company may but shall not have any obligation to pay any part or all of the deductible amount to effect settlement of any claim, and upon notification of the action taken, the Insured shall reimburse the Company upon demand for such part of the deductible amount as has been paid by the Company.

- II. **PREMIUM:** The premium for each annual policy period shall be the amount shown on each respective Annual Anniversary Premium Endorsement. The minimum premium shall be the amount shown on each respective Annual Anniversary Premium Endorsement for such annual policy period.

Item 1 "Premium" of Section VII "Conditions" is deleted.

- III. **INTEREST:** The Insured shall, in addition to the reimbursement as stated in Section I above, pay as interest an additional amount. Such additional amount shall be determined by the reimbursed amount being multiplied by a charge of one half of one percent (0.005) per month. (rate: six percent simple annual interest)

- IV. In the event that the Insured fails to reimburse or pay the Company as specified for all amounts that may become due under Items I, II and III above, the Insured agrees to pay the Company, in addition to such amounts, all costs and expenses incurred by the Company in enforcing such obligation, including without limitation, attorney's fees and court costs.

NON-MONEY

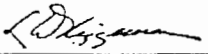
ACCEPTED BY

Name of Insured

UNDERWRITTEN

JUL 27 1972

HONOLULU**UND GROUP
C**

POLICY NUMBER LC 165 5700	INSURED AMFAC, INC., et al	EFFECTIVE 7/1/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT

ENDORSEMENT #34

IN LIEU OF ENDF. # 25

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
☐
☐

IT IS AGREED THAT PARAGRAPH III OF THE POLICY, LIMITS OF LIABILITY, IS DELETED IN ITS ENTIRETY AND THE FOLLOWING IS SUBSTITUTED:

III. LIMITS OF LIABILITY

REGARDLESS OF THE NUMBER OF

- (1) INSURED UNDER THIS POLICY,
- (2) PERSONS OR ORGANIZATIONS WHO SUSTAIN BODILY AND PERSONAL INJURY OR PROPERTY DAMAGE,
- (3) CLAIMS MADE OR SUITS BROUGHT ON ACCOUNT OF BODILY INJURY AND PERSONAL INJURY OR PROPERTY DAMAGE OR
- (4) AUTOMOBILES TO WHICH THIS POLICY APPLIES,

THE LIMIT OF THE COMPANY'S LIABILITY FOR DAMAGES UNDER ALL BODILY INJURY LIABILITY, PERSONAL INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY COVERAGES, SHALL BE A SINGLE LIMIT OF \$25,000 PER EACH OCCURRENCE.

ACCEPTED:

Name of Insured

Title

MED. NOV 10 1972

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 57 00	AMFAC, Inc. et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Jack H. Merrill</i>		PRODUCER Amfac Controlled Business 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT Fireman's Fund American Underwriters of Hawaii, Inc. <i>Amwalter</i> PRESIDENT

FFIC000296

IN CONSIDERATION OF THE PREMIUM CHARGED IT IS AGREED THAT PARAGRAPH III, LIMITS OF LIABILITY, IS DELETED IN ITS ENTIRETY AND THE FOLLOWING IS SUBSTITUTED THEREFORE:

III, LIMITS OF LIABILITY

REGARDLESS OF THE NUMBER OF

- (1) INSUREDS UNDER THIS POLICY,
- (2) PERSONS OR ORGANIZATIONS WHO SUSTAIN BODILY AND PERSONAL INJURY OR PROPERTY DAMAGE,
- (3) CLAIMS MADE OR SUITS BROUGHT ON ACCOUNT OF BODILY INJURY AND PERSONAL INJURY OR PROPERTY DAMAGE OR
- (4) AUTOMOBILES TO WHICH THIS POLICY APPLIES,

THE COMPANY'S LIABILITY IS LIMITED AS FOLLOWS:

COVERAGES A & C

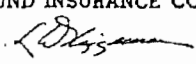
THE LIMIT OF THE COMPANY'S LIABILITY FOR ALL DAMAGES BECAUSE OF BODILY INJURY-PERSONAL INJURY SUSTAINED BY ONE PERSON AS THE RESULT OF ANY ONE OCCURRENCE IS \$25,000

BUT SUBJECT TO THE ABOVE PROVISION RESPECTING "EACH PERSON", THE TOTAL LIABILITY OF THE COMPANY FOR ALL DAMAGES BECAUSE OF BODILY INJURY AND PERSONAL INJURY SUSTAINED BY TWO OR MORE PERSONS AS THE RESULT OF ANY ONE OCCURRENCE SHALL NOT EXCEED \$25,000

SUBJECT TO THE PROVISIONS RESPECTING "EACH PERSON" AND "EACH OCCURRENCE", THE TOTAL LIABILITY OF THE COMPANY FOR ALL DAMAGES BECAUSE OF

- (1) ALL BODILY INJURY AND PERSONAL INJURY INCLUDED WITHIN THE COMPLETED OPERATIONS HAZARD AND
- (2) ALL BODILY INJURY AND PERSONAL INJURY INCLUDED WITHIN THE PRODUCTS HAZARD

SHALL NOT EXCEED AN AGGREGATE FOR EACH ANNUAL PERIOD BEGINNING WITH THE INCEPTION OF THE POLICY, OF \$150,000

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	07-01-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS	PRODUCER AMFAC CONTROLLED BUSINESS 52011777	
 PRESIDENT	COUNTERSIGNATURE OF AUTHORIZED AGENT	

COVERAGES B & D

THE TOTAL LIABILITY OF THE COMPANY FOR ALL DAMAGES BECAUSE OF ALL PROPERTY DAMAGE SUSTAINED BY ONE OR MORE PERSONS OR ORGANIZATIONS AS THE RESULT OF ANY ONE OCCURRENCE SHALL NOT EXCEED: \$25,000

COVERAGE B

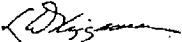
SUBJECT TO THE ABOVE PROVISIONS WITH RESPECT TO EACH OCCURRENCE, THE TOTAL LIABILITY OF THE COMPANY FOR ALL DAMAGES BECAUSE OF ALL PROPERTY DAMAGE

- (A) CAUSED BY OPERATIONS PERFORMED FOR THE NAMED INSURED BY INDEPENDENT CONTRACTORS OR GENERAL SUPERVISION THEREOF BY THE NAMED INSURED
- (B) ARISING OUT OF LIABILITY ASSUMED BY THE INSURED UNDER CONTRACT COVERED BY THIS POLICY
- (C) CAUSED BY PROPERTY DAMAGE INCLUDED WITHIN THE COMPLETED OPERATIONS HAZARD
- (D) CAUSED BY PROPERTY DAMAGE INCLUDED WITHIN THE PRODUCTS HAZARD

SHALL NOT EXCEED AN AGGREGATE FOR EACH ANNUAL PERIOD BEGINNING WITH THE INCEPTION DATE OF THE POLICY OF \$150,000

THE LIMITS OF PROPERTY DAMAGE LIABILITY STATED AS "AGGREGATE" APPLY SEPARATELY TO EACH PROJECT WITH RESPECT TO OPERATIONS AWAY FROM PREMISES OWNED BY OR RENTED TO THE NAMED INSURED.

ACCEPTED: _____
NAMED INSURED

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	ANFAC INC., ETAL	07/01/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS 		PRODUCER ANFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT
PRESIDENT		

ENDORSEMENT # 31

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

It is agreed that Item (g) of the Exclusions of the policy is deleted.

M.E.D. NOV 10 1972

ACCEPTED

W. C. Bridges
Name of Insured

R. S. H. Manager
Title

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC, Inc., et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Frank H. Merrill</i> PRESIDENT	PRODUCER <i>Amfac Controlled Business 52 011 777</i> COUNTERSIGNATURE OF AUTHORIZED AGENT	

180027-2-67

ENDORSEMENT #35

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

It is agreed that Endorsement #28, Exclusion - Contamination or Pollution ,
is hereby deleted.

LARGE RISK

POLICY NUMBER LC 165 57 00	INSURED AMFAC, Inc., et al	EFFECTIVE 7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT		PRODUCER Amfac Controlled Business 52 011 777 COUNTERSIGNATURE OF AGENT OF HOWARD, INC. <i>Don Walker</i> PRESIDENT

180027-2.67

FFIC000300

FIREMAN'S FUND INSURANCE COMPANY
(A Stock Insurance Company, herein called the Company)
HOME OFFICE: SAN FRANCISCO, CALIFORNIA

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of:

COVERAGE A - Bodily Injury and Personal Injury

COVERAGE B - Property Damage

COVERAGE C - Bodily Injury and Personal Injury arising out of the ownership, maintenance or use, including loading or unloading of any automobile

COVERAGE D - Property Damage arising out of the ownership, maintenance or use, including loading or unloading of any automobile

to which this insurance applies, caused by occurrence and the Company shall have the right and duty to defend any suit against the insured seeking damages on account of such Bodily Injury, Personal Injury or Property Damage even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigations and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgements or settlements.

EXCLUSIONS

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement except contracts under which the insured assumes the liability of others and except as follows:
 - 1. Any contract under which the insured assumes liability of others for rendering or failure to render professional services as an architect or engineer, unless such contracts are reported to the Company within 90 days of the effective date of agreement thereto by any officer of the insured;
 - 2. Any contract with labor unions or railroads, other than railroad side track agreements, unless such contracts are reported to the Company within 90 days of the effective date of agreement thereto by any officer of the insured;

but this exclusion does not apply to

a warranty of fitness or quality of the named insured's products or

a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;

(b) to bodily injury and personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

1. Under Coverages A & B any automobile owned or operated by or rented or loaned to the named insured, or
2. Under Coverages A & B any other automobile operated by any person in the course of his employment by the named insured, or
3. Any aircraft owned by any insured, or
4. Any other aircraft operated by any person in the course of his employment by the named insured;

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to the named insured;

(c) to bodily injury and personal injury or property damage arising out of the owned watercraft, 26 feet and over in length, but this exclusion does not apply to bodily injury and personal injury or property damage including within the products hazard or the completed operations hazard or resulting from operations performed for the named insured by independent contractors or to liability assumed by the insured under an incidental contract;

(d) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to

1. liability assumed by the insured under contract, or
2. expenses for first aid under the Supplementary Payments provisions;

(e) to any obligation for which the insured or any carrier as his insured may be held liable under any workman's compensation, unemployment compensation or disability benefits law, or under any similar law;

(f) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to liability assumed by the insured under a contract;

- See End. #31
off 7-1-72
New*
- Exclusion out*
- (g) 1. to property damage to property owned or transported, or occupied by or rented to the insured, property held by the insured for sale or property entrusted to the insured for storage or safe-keeping, or
2. except with respect to liability under a written side track agreement or the use of an elevator at premises owned by, rented to or controlled by the named insured, to property damage to
- (1) property while on premises owned by or rented to the insured for the purpose of having operations performed on such property by or on behalf of the insured

This exclusion (1) does not apply to property damage to automobiles or mobile equipment caused by fire and explosion, theft of the entire automobile or piece of mobile equipment, vandalism or collision and upset to automobiles or mobile equipment. However, \$100 shall be deducted from each claim for collision or upset to an automobile or piece of mobile equipment.

- (ii) tools or equipment while being used by the insured in performing his operations,
- (iii) property in the custody of the insured which is to be installed, erected or used in construction by the insured,
- (iv) that particular part of any property, not on premises owned by or rented to the insured.
- (a) upon which operations are being performed by or on behalf of the insured at the time of the injury thereto or destruction thereof, arising out of such operations, or
- (b) out of which any injury or destruction arises, or
- (c) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the insured.
- (h) to property damage to that portion of premises alienated by the named insured out of which the injury or destruction arises
- (i) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured

to perform the function or serve the purpose intended by the named insured if such failure is due to a mistake or deficiency in any

design

formula

plan

specifications

advertising material or

printed instructions

prepared or developed by the named insured;

but this exclusion does not apply to bodily injury and personal injury or property damage resulting from the active malfunctioning of such products or work;

- (j) to property damage to the named insured's products arising out of such products or any part of such products;
- (k) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of

the named insured's products or

work completed by or for the named insured or

of any property of which such products or work form a part,

if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

- (m) as respects claims arising out of personal injury to injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured;
- (n) with respect to any employee as an insured to:

- 1. bodily injury, sickness disease or death of any other employee of the same employer injured in the course of such employment,

2. Injury to or destruction of property

owned,

occupied or used by,

rented to or

in the care, custody or control

of the employer of such insured employee

3. Personal Injury

- (c) Nuclear energy as per printed endorsement form 180002 - 2.65 attached to this policy.

II. Persons Insured

Each of the following is a named insured

- (a) ~~ABC~~AC, INC., including
- (b) Any division or subsidiary company.
- (c) Any division or subsidiary of (a) above.
- (d) Any company under the insured's control of which it assumes active management.
- (e) Any partnership or joint venture under the operational control of sponsorship of (b), (c), or (d) above.

Each of the following is an insured under this insurance to the extent set forth below:

- (f) solely as respects Coverages A & B
 - (1) any person, other than an employee of the named insured, or organization while acting as real estate manager for the named insured; and
 - (2) any executive officer, director, stockholder or employee of the named insured while acting within the scope of their duties as such.
- (g) solely as respects Coverages C & D
 - (1) any executive officer of any insured under A or B above, but with respect to a non-owned automobile only while such automobile is being used in the business of such insured;

- (2) any other person while using an owned automobile or a hired automobile with the permission of the named insured, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to bodily injury or property damage arising out of the loading or unloading thereof, such other person shall be an insured only if he is:
- (i) a lessee or borrower of the automobile, or
 - (ii) an employee of the named insured or of such lessee or borrower;
- (3) any other person or organization but only with respect to his or its liability because of acts or omissions of the named insured or 1 and 2 of this paragraph.

None of the following is an insured under this paragraph (g):

- (i) the owner or lessee (of whom the named insured is a sublessee) of a hired automobile or the owner of a non-owned automobile, or any agent or employee of any such owner or lessee;
 - (ii) an executive officer with respect to an automobile owned by him or by a member of his household,
 - (iii) any person or organization, other than the named insured with respect to:
 - (1) a motor vehicle while used with any trailer (except a trailer designed for use with a private passenger automobile and not being used for business purposes with another type motor vehicle) owned or hired by such person or organization and not covered by like insurance in the Company, or
 - (2) a trailer while used with any motor vehicle owned or hired by such person or organization and not covered by like insurance in the Company;
 - (iv) any person while employed in or otherwise engaged in duties in connection with an automobile business, other than an automobile business operated by the named insured.
- (h) any individual, firm, joint venture, co-partnership, corporation, political sub-division, commission, board or agency or other entity for whom the named insured has contracted to procure liability insurance but only to the extent and in the amount for which the named insured has contracted and only for liability arising out of operations of the named insured.

III. Limits of Liability

Regardless of the number of

- (1) insureds under this policy,
- (2) persons or organizations who sustain bodily and personal injury or property damage,
- (3) claims made or suits brought on account of bodily injury and personal injury or property damage or
- (4) automobiles to which this policy applies,

the Company's liability is limited as follows:

Coverages A & C

The limit of the Company's liability for all damages because of bodily injury-personal injury sustained by one person as the result of any one occurrence is \$500,000

but subject to the above provision respecting "each person", the total liability of the Company for all damages because of bodily injury and personal injury sustained by two or more persons as the result of any one occurrence shall not exceed \$1,000,000

Subject to the provisions respecting "each person" and "each occurrence", the total liability of the Company for all damages because of

- (1) all bodily injury and personal injury included within the completed operations hazard and
- (2) all bodily injury and personal injury included within the products hazard

shall not exceed an aggregate for each annual period beginning with the inception of the policy, of \$1,000,000.

Coverages B & D

The total liability of the Company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed: \$250,000.00

Coverage E

Subject to the above provisions with respect to each occurrence, the total liability of the Company for all damages because of All Property Damage

- (a) caused by operations performed for the named insured by independent contractors or general supervision thereof by the named insured

- (b) arising out of liability assumed by the insured under contract covered by this policy
- (c) caused by property damage included within the completed operations hazard
- (d) caused by property damage included within the products hazard

shall not exceed an aggregate for each annual period beginning with the inception date of the policy of \$250,000.00

The limits of property damage liability stated as "Aggregate" apply separately to each project with respect to operations away from premises owned by or rented to the named insured.

V. Supplementary Payments

The Company will pay, in addition to the applicable limit of liability:

- (a) all expenses incurred by the Company, all costs taxed against the insured in any suit defended by the Company and all interest on the entire amount of any judgement therein which accrues after entry of the judgement and before the Company has paid or tendered or deposited in court that part of the judgement which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds;
- (c) expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;
- (d) reasonable expenses incurred by the insured at the Company's request, including actual loss of wages or salary (but not loss of other income) not to exceed \$25 per day because of his attendance at hearings or trials at such request.

VI. Definitions

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"automobile business" means the business or occupation of selling, repairing, servicing, storing or parking automobiles;

"bodily injury" means bodily injury, sickness or disease sustained by any person;

"completed operations hazard" includes bodily injury and personal injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury and personal injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed,
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The completed operations hazard does not include bodily injury or personal injury or property damage arising out of

- (a) operations in connection with the transportation of property, unless the bodily injury and personal injury or property damage arising out of a condition in or on a vehicle created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or
- (c) operations for which the classification stated in the policy or in the Company's manual specified "including completed operations";

"damages" includes damages for death and for care and loss of service resulting from bodily injury and personal injury and damages for loss of use of property resulting from property damage;

"elevator" means any hoisting or lowering device to connect floors or landings whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist

or material hoist used in alteration, construction or demolition operations, or in inclined conveyor used exclusively for carrying property or a dumb-waiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"hired automobile" means an automobile not owned by the named insured which is used under contract in behalf of, or loaned to, the named insured, provided such automobile is not owned by or registered in the name of (a) executive officer of the named insured or (b) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the Company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the organization named in Item 1 of the declarations of this policy and entities named in sections (a), (b), (c) and (d) of the "Persons Insured" section of the policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"non-owned automobile" means an automobile which is neither an owned automobile nor a hired automobile;

"occurrence" means an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury and personal injury or property damage neither expected nor intended from the standpoint of the insured;

"owned automobile" means an automobile owned by the named insured;

"personal injury" means false arrest, detention or imprisonment, or malicious prosecution, libel, slander, defamation of character, invasion of privacy, wrongful eviction or entry, humiliation, racial or religious discrimination, shock, mental anguish, or emotional upset;

"private passenger automobile" means a four wheel private passenger or station wagon type automobile;

"products hazard" includes bodily injury and personal injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury and personal injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means injury to or destruction of tangible property;

"trailer" includes semi-trailer but does not include mobile equipment.

As respects exclusion (g)

"Fire and Explosion" means loss to an automobile or mobile equipment caused by fire or explosion other than explosion of tires;

"Theft" means loss to an automobile or piece of mobile equipment caused by theft of the entire unit;

"Vandalism" means loss to an automobile or piece of mobile equipment caused by riot, civil commotion, malicious mischief or vandalism;

"Collision or Upset" means loss to an automobile, piece of mobile equipment or other property of a kind customarily left in charge of an automobile business or similar mobile equipment business caused by collision of the automobile, mobile equipment or such property with another object or by upset thereof, occurring while such is in the custody of the insured for safekeeping, storage, service or repair.

"Policy Territory" means:

1. The United States of America, its territories or possessions, or Canada, or
2. international waters or air space, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation, or
3. anywhere in the world with respect to damages because of bodily injury or property damage arising out of a product, provided the original suit for such damages is brought within such territory.

VII. CONDITIONS

1. **PREMIUM.** Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. The earned premium shall be computed for such period and, upon notice thereof to the named insured, the difference shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the Company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of information necessary for premium computation but, in addition to its normal records, only such as the Company shall state to be necessary.

2. **INSPECTION AND AUDIT.** The Company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe.

The Company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **FINANCIAL RESPONSIBILITY LAWS.** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of such law. The insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. **INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT.**

- (a) In the event of an occurrence, notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the Company or any of its authorized agents as soon as practicable.
- (b) The named insured shall promptly take at his own expense all reasonable steps to prevent additional bodily injury or property damage from arising out of the same or similar conditions at the same location where the initial bodily injury or property damage occurred; provided
 - (1) that a failure to take such preventive measures shall not constitute a breach of this condition unless the Company has

requested subsequently the named insured in writing to undertake such preventive measures, and

(2) such expense shall not be recoverable under this policy.

(c) If claim is made or suit is brought against the insured, the insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative.

(d) The insured shall cooperate with the Company and, upon the Company's request

(1) assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of bodily injury and personal injury or property damage with respect to which insurance is afforded under this policy;

(2) the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

(e) The insured shall not, except at his own cost, voluntarily make any payment, assume any obligations or incur any expense other than for first aid to others at the time of accident.

(f) If claim or suit is brought against the insured due to the rendering of or failure to render any professional service the Company shall not settle any claim without the consent of the insured. If however, the insured shall refuse to consent to any settlement recommended by the Company and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then the Company's liability for the claim shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with its consent up to the date of such refusal.

5. ACTION AGAINST COMPANY. No action shall lie against the Company unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy.

No person or organization shall have any right under this policy to join the Company as a party to any action against the insured to determine the insured's liability, nor shall the Company be impleaded by the insured or his legal representative.

Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the Company of any of its obligations hereunder.

6. **OTHER INSURANCE.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance.

When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the shares of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

7. **EXCESS INSURANCE - HIRED AND NON-OWNED AUTOMOBILES**

With respect to a hired automobile or a non-owned automobile, this insurance shall be excess insurance over any other valid and collectible insurance available to the insured.

8. **EXCESS INSURANCE - AIRCRAFT**

With respect to such insurance as is afforded by the policy for aircraft

- (a) not owned by any insured or
- (b) any other aircraft not operated by any person in the course of his employment by the insured,

this insurance shall be excess over any other valid and collectible insurance available to the insured.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.

If AFEAC, INC. cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

13. CONTINUOUS POLICY. The limits of the Company's liability shall apply separately to each annual period beginning with the inception date of the policy.

9. **SUBROGATION.** In the event of any payment under this policy the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Provide that all right of subrogation under this policy is waived against

- (a) any corporation with whom the insured has a Plantation Agency Contract,
and
- (b) any corporation, firm, or individual who owns or controls the majority of the capital stock of the named insured, or
- (c) any insured under this policy,
 - (1) but only with respect to an occurrence arising out of the particular operations of the named insured in connection with which such insured is afforded protection, or
 - (2) only insofar as such insured does not have valid and collectible insurance other than this policy, or
 - (3) if AMFAC, INC. so requests in writing at the time subrogation proceedings are initiated by the Company and AMFAC, INC. is requested to comply with the subrogation provisions herein.
- (b) That all right of subrogation under this policy is waived by the Company if the named insured is, for any reason, unable to subrogate to the Company the right of recovery against persons, co-partnerships, corporations, estates or other entities for any payment made hereunder.

10. **CHANGES.** Notice to any agent or knowledge possessed by any agent or by any person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.
11. **ASSIGNMENT.** Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon.
12. **CANCELLATION.** This policy may be cancelled by AMFAC, INC. by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to AMFAC, INC. at its address in Honolulu, Hawaii written notice stating when not less than ninety days thereafter such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the named insured or by the Company to an officer of AMFAC, INC. shall be equivalent to mailing.

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE — COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

ADDITIONAL INSURED
(Vendors — Broad Form) (G113)

It is agreed that the "Persons Insured" provision is amended to include any person or organization (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:

(a) any express warranty unauthorized by the named insured;

(b) bodily injury or property damage arising out of

(i) any physical or chemical change in the form of the product made intentionally by the vendor;

(ii) repacking, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the manufacturer and then repacked in the original container;

(iii) demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product, or

(iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part of ingredient of any other thing or substance by or for the vendor.

2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

DESIGNATED VENDOR

SEARS, ROEBUCK AND COMPANY

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY		PRODUCER
<i>Fred H. Merrill</i> PRESIDENT 70-X		COUNTERSIGNATURE OF AUTHORIZED AGENT

105075—10-66

FFIC000317

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE — MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE — STOREKEEPERS' INSURANCE

ADDITIONAL INSURED (G109)
(PREMISES LEASED TO THE NAMED INSURED)

It is agreed that the "Persons Insured" provision is amended to include as an insured the person or organization designated below, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises designated below leased to the named insured, and subject to the following additional exclusions:

The insurance does not apply:

1. to any occurrence which takes place after the named insured ceases to be a tenant in said premises;
2. to structural alterations, new construction or demolition operations performed by or on behalf of the person or organization designated below.

SCHEDULE

DESIGNATION OF PREMISES (PART LEASED TO NAMED INSURED)	NAME OF PERSON OR ORGANIZATION (ADDITIONAL INSURED)	PREMIUMS	
		BODILY INJURY LIABILITY	PROPERTY DAMAGE LIABILITY
Waialae-Kahala	E. Phillip Lyon, Sheldon Gordon & Emric Properties Inc. dba Kahala Center Co., Hawaii Shopping Center Corp. & Hawaii Management Corp.	No Charge	
<u>Liberty House - Waikiki</u> 2288, 2296-2314 Kalakaua Avenue, Honolulu, Hawaii	Queen's Medical Center, Lessor and Waikiki Development Co., Sublessor		
<u>Liberty House - Main Store</u> 1608-1624 Fort Street Honolulu, Hawaii	Bishop Trust Company, Ltd.		
<u>Liberty House - Main Store</u> 1026-1038, Rear of 1026-1038, Rear of 1056 Fort St., and 88 S. King St., 2nd & 3rd Floors above Hartfield's, Fort Street, Honolulu, Hawaii	John Kirkwood Clarke and James Laslie Coke, surviving Trustees under the will and of the Estate of James Campbell, Deceased		
<u>Liberty House - Kailua</u> 537 Kailua Road Kailua, Oahu, Hawaii	Kaneohe Ranch Co., Ltd.		
<u>Liberty House - Service Bldg.#2</u> 800 South Street Honolulu, Hawaii	HC&D, Ltd.		
<u>Liberty House - Ala Moana</u> Ala Moana Shopping Center Honolulu, Hawaii	Hawaiian Land Company		
<u>Kekaha Sugar</u> On Land at Kehaka, Kauai, which is leased from the State of Hawaii	State of Hawaii, By Its Commission of Public Lands		

1. POLICY NUMBER
2. POLICY TYPE
3. POLICY CLASS
4. POLICY RISK

5. POLICY DATE
6. POLICY TERM

7. POLICY RISK
8. POLICY RISK
9. POLICY RISK

10. POLICY RISK

11. POLICY RISK
12. POLICY RISK
13. POLICY RISK

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25. POLICY RISK
26. POLICY RISK
27. POLICY RISK
28. POLICY RISK

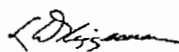
29. POLICY RISK
30. POLICY RISK
31. POLICY RISK

32. POLICY RISK

33. POLICY RISK
34. POLICY RISK
35. POLICY RISK

36. POLICY RISK
37. POLICY RISK
38. POLICY RISK

39. POLICY RISK
40. POLICY RISK
41. POLICY RISK

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY  PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	
	70-X	

ENDORSEMENT # 30

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

It is agreed that the Retrospective Premium Endorsement #27 - One Year - Plan D effective 7-1-72 is deleted.

MED. NOV 14 1972

ACCEPTED

Joe E. Bridge
Name of Insured

Risk Manager
Title

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC, Inc., et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. McNeill</i> PRESIDENT		PRODUCER <u>Amfac Controlled Business 52 011 777</u> COUNTERSIGNATURE OF AUTHORIZED AGENT

180027-2-67

FFIC000245

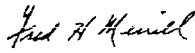
**AGREEMENT TO DELETE PROTECTION AGAINST
UNINSURED MOTORISTS COVERAGE (HAWAII)**

Pursuant to Section 181-447, Revised Laws of Hawaii 1955, as amended, authorizing such agreement, the below named insured and the company specified above hereby agree that the provisions respecting coverage for damage caused by an uninsured motor vehicle, as set forth in Section 181-447 of said Laws, are deleted from the policy and that such coverage is not included in the policy.

NAME OF INSURED

By

GENERAL PARTNER, OFFICER, ETC. — STATE CAPACITY

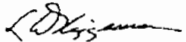
POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY		PRODUCER AMFAC CONTROLLED BUSINESS
 PRESIDENT 70-X		COUNTERSIGNATURE OF AUTHORIZED AGENT

100149—10-65

FFIC000246

End. No. 2

It is agreed that such insurance as is afforded by the policy shall not apply to any hold harmless agreement contained in any contract between the named Insured and Murray Air Ltd.

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000247

END #3

IN CONSIDERATION OF PREMIUMS TO BE DETERMINED BY AUDIT, IT
IS AGREED THAT THE COMPOSITE RATES UNDER COMPREHENSIVE AUTOMOBILE
LIABILITY ARE CORRECTED TO READ:

CLASS CODE
9990

ABI
\$.104

APD
.056

NON-MONEY

UND GROUP
C

UNDERWRITTEN

OCT 21 1969

HONOLULU

ATTACH TO DAILY REPORT - FRONT

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	07/01/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000248

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY ENDORSEMENT

It is agreed that:

1. The certification of the policy, as proof of financial responsibility under the provisions of any state or federal motor carrier law, or regulations promulgated by any public or federal authority having jurisdiction with respect thereto, amends the policy to provide insurance for automobile bodily injury and property damage liability in accordance with the provisions of such law or regulations to the extent of the coverage and limits of liability required thereby; provided only that the insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certifications.

2. Cancellation of the policy and this endorsement may be effected only after giving **15** days notice in writing to the public or federal authority with which such certificate has been filed.

3. The Uniform Motor Carrier Bodily Injury and Property Damage Liability Certificate of Insurance has been filed with public or federal authority No.(s) **Hawaii**, as identified on the reverse side hereof.

Forming a part of the policy to which attached.

(Complete the following only if endorsement is to become effective after policy inception date)

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY		PRODUCER
<i>Fred H. McNeill</i> PRESIDENT		COUNTERSIGNATURE OF AUTHORIZED AGENT
70-X		

100,065-8-64

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY ENDORSEMENT

It is agreed that:

1. The certification of the policy, as proof of financial responsibility under the provisions of any state or federal motor carrier law or regulations promulgated by any public or federal authority having jurisdiction with respect thereto, amends the policy to provide insurance for automobile bodily injury and property damage liability in accordance with the provisions of such law or regulations to the extent of the coverage and limits of liability required thereby; provided only that the insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certifications.

2. Cancellation of the policy and this endorsement may be effected only after giving federal authority with which such certificate has been filed.

3. The Uniform Motor Carrier Bodily Injury and Property Damage Liability Certificate of Insurance has been filed with public or federal authority No.(s) as identified on the reverse side hereof.

Forming a part of the policy to which it is attached.

NON-MONEY

(Complete the following only if endorsement is to become effective after policy inception.)

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UNDERWRITTEN

FEB 25 1971

HONOLULU

POLICY NUMBER LC 165 5700	INSURED ISLAND DISCOVERY TOURS, INC. DBA: HAWAIIAN DISCOVERY TOURS	EFFECTIVE 07-01-69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY <i>Fred H. Merrill</i> PRESIDENT		PRODUCER FIREMAN'S FUND AMERICAN UNDERWRITERS OF HAWAII, INC. COUNTERSIGNATURE OF AUTHORIZED AGENT

70-X

100,065-8-64

FFIC000250

4 OS 10-15
This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE — AUTOMOBILE MEDICAL PAYMENTS INSURANCE

END #1.1 APPLICATION OF INSURANCE TO OWNER OF HIRED AUTOMOBILE (A6200)

With respect to the hired automobile described below or designated in the policy as subject to this endorsement, it is agreed that:

(1) The insurance applies as primary insurance.

(2) Subject otherwise to the Persons Insured provision, the insurance covers as an insured the owner, any lessee (of whom the named insured is a sub-lessee) and any agent or employee of such owner or lessee, but only while such automobile is used in the business of the named insured as stated in the declarations, or by or on behalf of the named insured for personal or pleasure purposes, and subparagraph (ii) of the Persons Insured provision is amended accordingly.

DESCRIPTION OF AUTOMOBILE

ALL AUTOMOBILES LEASED BY THE NAMED INSURED FROM CONSOLIDATED
LEASING CORPORATION

NON-MONEY

UND GROUP
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UNDERWRITTEN

OCT 08 1970

POLICY NUMBER

LC 1655700

INSURED

AMFAC INC., ETAL

HONOLULU EFFECTIVE

07-01-70

FIREMAN'S FUND INSURANCE COMPANY
THE AMERICAN INSURANCE COMPANY
NATIONAL SURETY CORPORATION
ASSOCIATED INDEMNITY CORPORATION
AMERICAN AUTOMOBILE INSURANCE COMPANY

Frederic H. Merrill

PRESIDENT

70-X

PRODUCER

AMFAC CONTROLLED BUSINESS 52011777

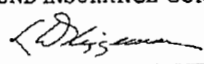
COUNTERSIGNATURE OF AUTHORIZED AGENT

100328--10-66

FFIC000251

RESIDENT AGENT COUNTERSIGNATURE ENDORSEMENT

THE SIGNATURE HEREON IS A VALID SIGNATURE FOR THIS POLICY TO COMPLY WITH THE COUNTERSIGNATURE LAWS AND REGULATIONS OF NEW YORK

POLICY NUMBER LC 165 5700	INSURED AMFAC INC. ET AL	EFFECTIVE 7-1-69
<input checked="" type="checkbox"/> FIREMAN'S FUND INSURANCE COMPANY <input type="checkbox"/> THE AMERICAN INSURANCE COMPANY <input type="checkbox"/> NATIONAL SURETY CORPORATION <input type="checkbox"/> ASSOCIATED INDEMNITY CORPORATION <input type="checkbox"/> AMERICAN AUTOMOBILE INSURANCE COMPANY <input type="checkbox"/> FIREMAN'S FUND INSURANCE COMPANY OF TEXAS		DATE COUNTERSIGNED SIGNATURE OF LICENSED RESIDENT AGENT  PRESIDENT

NON RESIDENT PRODUCER			
NAME FIREMAN'S FUND AMERICAN UNDERWRITERS OF HAWAII, INC.		BRANCH HONOLULU	PRODUCTION CODE 52 011 777 PROCESSING CENTER SAN FRANCISCO
GROSS COMMISSION (HOME STATE) NIL %	NON RESIDENT PRODUCER'S LICENSE DATA		
	LICENSE NUMBER	EXPIRATION DATE OF LICENSE	NAME OF INDIVIDUAL HOLDING LICENSE

COUNTERSIGNING RESIDENT AGENT			
NAME AND LOCATION		BRANCH	PRODUCTION CODE PROCESSING CENTER
PC: COMPANY, EMPLOYEE OR INTER PROCESSING CENTER		00-970-100	

COUNTERSIGNATURE DATA						
BASIS: NIL % OF PREMIUM OR NIL % OF COMMISSION, WHICHEVER IS LESS.						
LINE OF BUSINESS	STATUTORY C/S PAYMENT LIMITATIONS		GROSS PREMIUM FOR STATE	NON RESIDENT PRODUCER'S NET COMMISSION	C/S RESIDENT AGENT COMMISSION	GROSS PAYMENT
	MIN.	MAX.				
AUTO	NIL	NIL	\$ 26.00	NIL %	%	\$
MISC.	NIL	NIL	\$ 34.00	NIL %	%	\$
			\$	%	%	\$
			\$	%	%	\$
			\$	%	%	\$

PROCESSING CENTER USE ONLY WHEN C/S PAYMENT IS ON INSTALLMENTS	
DUE DATE	AMOUNT
	\$
	\$
	\$
	\$
	\$

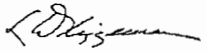
385013-12-68

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RESIDENT A NT COUNTERSIGNATURE END 'SEMENT

THE SIGNATURE HEREON IS A VALID SIGNATURE FOR THIS POLICY TO COMPLY WITH THE
COUNTERSIGNATURE LAWS AND REGULATIONS OF CALIFORNIA

POLICY NUMBER LC 165 5700	INSURED AMFAC INC., ET AL	EFFECTIVE 7-1-69
<input checked="" type="checkbox"/> FIREMAN'S FUND INSURANCE COMPANY <input type="checkbox"/> THE AMERICAN INSURANCE COMPANY <input type="checkbox"/> NATIONAL SURETY CORPORATION <input type="checkbox"/> ASSOCIATED INDEMNITY CORPORATION <input type="checkbox"/> AMERICAN AUTOMOBILE INSURANCE COMPANY <input type="checkbox"/> FIREMAN'S FUND INSURANCE COMPANY OF TEXAS	DATE COUNTERSIGNED	
 PRESIDENT		SIGNATURE OF LICENSED RESIDENT AGENT

NON RESIDENT PRODUCER			
NAME FIREMAN'S FUND AMERICAN UNDERWRITERS OF HAWAII INC.	BRANCH HONOLULU	PRODUCTION CODE 52 011 777	PROCESSING CENTER SAN FRANCISCO
GROSS COMMISSION (HOME STATE) NIL %	NON RESIDENT PRODUCER'S LICENSE DATA		
	LICENSE NUMBER	EXPIRATION DATE OF LICENSE	NAME OF INDIVIDUAL HOLDING LICENSE

COUNTERSIGNING RESIDENT AGENT			
NAME AND LOCATION	BRANCH	PRODUCTION CODE	PROCESSING CENTER
PC: COMPANY EMPLOYEE OR INTER PROCESSING CENTER		00-970-100	

COUNTERSIGNATURE DATA								
BASIS:		NIL % OF PREMIUM		OR	NIL % OF COMMISSION, WHICHEVER IS LESS.			
LINE OF BUSINESS	STATUTORY C/S PAYMENT LIMITATIONS		GROSS PREMIUM FOR STATE	NON RESIDENT PRODUCER'S NET COMMISSION	C/S RESIDENT AGENT		PROCESSING CENTER USE ONLY WHEN C/S PAYMENT IS ON INSTALLMENTS	
	MIN.	MAX.			C/S COMMISSION	GROSS PAYMENT		
AUTO	NIL	NIL	\$ 564.00	NIL %	%	\$	DUE DATE	AMOUNT
MISC.	NIL	NIL	\$ 708.00	NIL %	%	\$		
			\$	%	%	\$		
			\$	%	%	\$		
			\$	%	%	\$		

385013-12-68

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PRODUCER'S CODE 1500002 HON52011777 AMFA		NAME AND ADDRESS HONOLULU BRANCH		AUDIT 4	PREVIOUS POLICY NO. L 1359023	POLICY PREFIX AND NUMBER LC-165 57 00	
BRANCH 52	COMMISSION GEN. LIAB. 0 %	CLASS 0 %	AUTO LIAB. 0 %	AUTO PHY. DAM. 0 %			

AUDIT REQUISITION PREPARED

DECLARATIONS
 01 FIREMAN'S FUND INSURANCE COMPANY
 07 NATIONAL SURETY CORPORATION
 18 THE AMERICAN INSURANCE COMPANY
 15 AMERICAN AUTOMOBILE INSURANCE COMPANY

01 INSURING COMPANY (SEE ABOVE)		ITEM 4. BUSINESS OF THE NAMED INSURED IS			
ITEM 1. NAMED INSURED AND ADDRESS (NUMBER, STREET, TOWN, COUNTY, STATE, ZIP CODE) AMFAC INC., ETAL (AS PER PARAGRAPH II OF THE POLICY) P. O. BOX 3230 HONOLULU, HAWAII		ITEM 5. LOCATION OF ALL PREMISES OWNED, RENTED OR CONTROLLED BY NAMED INSURED (ENTER "SAME" IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1) ITEM 6. INTEREST IN PREMISES NAMED IN SUCH PREMISES (ENTER "OWNER," "GENERAL LESSEE" OR "TENANT")			
ITEM 2. POLICY PERIOD FROM 07/01/69 TO UNTIL CANCELLED		ITEM 7. PART OCCUPIED BY NAMED INSURED			
12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED AS STATED HEREIN ITEM 3. THE NAMED INSURED IS <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> OTHER		ITEM 8. AUDIT PERIOD: ANNUAL, UNLESS OTHERWISE STATED MONTHLY			
ITEM 9. THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH OF THE FOLLOWING PARTS AND COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGE OR CHARGES. THE LIMIT OF THE COMPANY'S LIABILITY AGAINST EACH SUCH COVERAGE SHALL BE AS STATED HEREIN, SUBJECT TO ALL THE TERMS OF THIS POLICY HAVING REFERENCE THERETO.					
PART	COVERAGES	LIMITS OF LIABILITY			ESTIMATED PREMIUM
		EACH PERSON	EACH OCCURRENCE	AGGREGATE	
I	COMPREHENSIVE } A. BODILY INJURY LIABILITY	AS PER PARAGRAPH III OF THE POLICY			\$ 60,800.00
	GENERAL LIABILITY } D. PROPERTY DAMAGE LIABILITY	XXXXXXXX			\$ 15,200.00
II	COMPREHENSIVE } C. BODILY INJURY LIABILITY	AS PER PARAGRAPH III OF THE POLICY			\$ 48,640.00
	AUTOMOBILE LIABILITY } D. PROPERTY DAMAGE LIABILITY	XXXXXXXX			\$ 12,160.00
AUTOMOBILE	COMPREHENSIVE	AS SHOWN IN SCHEDULE OF COVERAGE PART			\$
PHYSICAL DAMAGE	COLLISION				\$
ENDORSEMENTS AND ADDITIONAL COVERAGE PARTS (IDENTIFY BY FORM NUMBERS) ✓ 105075 - ADDL. INSURED ✓ 100149 - AGREEMENT TO DELETE UM ✓ 105043 - ADDL. INSURED ✓ 180018 - SCHEDULE ✓ GU 8227b - RETRO. PREM. END. ✓ 180009 - END. NO. 1&2 ✓ 100065 - UNIFORM MOTOR CARRIER					
AUTO - 154460 - 3,040.00 - 0000					TOTAL ESTIMATED PREMIUM \$ 136,800.00
LIAB - 156091 - 3,800.00 - 0000					ADVANCE PREMIUM \$ 6,840.00
DATE OF ISSUE 11 10/14/69					

COMPREHENSIVE LIABILITY POLICY 5501-10-66

PROCESSING COPY

FFIC000254

END. #27
AMFAC INC., ETAL
AMFAC CONTROLLED BUSINESS
52011777 RETROSPECTIVE PREMIUM ENDORSEMENT - ONE YEAR - PLAN D

LC 6077
GU 8227b
(Ec. 1-60)

This endorsement, effective 07/01/72, forms a part of policy No. LC 1655700
(12:01 A.M., standard time)

issued to AMFAC INC., ETAL

by FIREMAN'S FUND INSURANCE COMPANY

*deleted off 7-1-72 & 30
see end note*

It is agreed that this endorsement applies to the policies designated in Table I below, subject to the following provisions:

1. **Final Premium.** The final premium for such policies is the sum of:
 - (a) the premium for the insurance not subject to Plan D, as specified in Table I, computed in accordance with the provisions of such policies, other than this endorsement, and
 - (b) the premium for the insurance subject to Plan D, as specified in Table I, hereinafter referred to as the retrospective premium.
2. **Retrospective Premium.** The retrospective premium shall be the sum of:
 - (a) the basic premiums for each state, and
 - (b) the excess loss premiums for each state, and
 - (c) the converted losses for each state, each multiplied by the applicable state tax multiplier. The retrospective premium shall be subject to the minimum retrospective premium and to the maximum retrospective premium.
3. **Definition of Terms Used in the Computation of the Retrospective Premium.**
 - (a) "Standard premium" means the premium for the insurance subject to Plan D computed in accordance with the provisions of the policies, other than this endorsement and exclusive of the application of any premium discount endorsement.
 - (b) "Basic premiums" means the amounts obtained by applying to each portion of the standard premium the basic premium percentage stated in Table II as applicable thereto.
 - (c) "Excess loss premiums" means the sum of:
 - (1) the amounts obtained by applying to that portion of the standard premium under workmen's compensation and employers' liability policies for each state for which a factor is entered in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, the applicable factor times the applicable loss conversion factor,
 - (2) the amounts obtained by applying to that portion of the standard premium for liability insurance under general liability and automobile liability policies, the factor stated in the Excess Loss Premium Factors (Liability) column of Table I, times the applicable loss conversion factor, and
 - (3) the amounts obtained by applying to that portion of the standard premium for automobile physical damage insurance, the factor stated in the Excess Loss Premium Factors (Physical Damage) column of Table I, times the applicable loss conversion factor.
 - (d) "Incurred losses" means the sum of:
 - (1) all losses, including medical, actually paid,
 - (2) reserves for unpaid losses as estimated by the company,
 - (3) premiums on bonds paid for by the company in accordance with the provisions of the policies,
 - (4) interest accruing after entry of a judgment against the insured,
 - (5) allocated loss adjustment expenses, and
 - (6) expenses incurred in seeking recovery against a third party under the insurance subject to Plan D, provided, (i) as respects the insurance afforded under any workmen's compensation and employers' liability policy, items (3) and (5) above shall not apply and item (6) shall apply only if recovery is obtained against the third party, and (ii) items (3), (4) and (5) above shall not apply as respects automobile physical damage insurance.
 - (e) "Compensation loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium under the workmen's compensation and employers' liability policies designated in Table I as subject to Plan D, applicable to any state for which a factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, arising out of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by one or more employees in a single accident. For the purpose of this definition, incurred losses arising out of bodily injury by disease, including death at any time resulting therefrom, sustained by any one employee shall be deemed to arise out of a single accident. If, during the policy period,
 - (i) the insured engages in operations in any state for which this policy affords insurance but for which no factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, and
 - (ii) on the date this endorsement becomes applicable with respect to any such additional state, there is a loss limitation with respect to all states specifically insured under the policy and subject to Plan D, and
 - (iii) the insured is eligible to elect such loss limitation in such additional state, such loss limitation shall also apply to incurred losses pertaining to such additional state. The excess loss premium factor applicable to such additional state, determined in accordance with the manuals in use by the company, shall be deemed to be entered in Table I.
 - (f) "Combined liability loss limitation," if stated in Table I, means the overall limit of incurred losses to be included in computing the retrospective premium for general liability and automobile liability insurance afforded under any policy designated in Table I as subject to Plan D, arising out of a single accident.
 - (g) "Automobile physical damage loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium for the automobile physical damage insurance afforded under any policy designated in Table I as subject to Plan D, arising out of any one occurrence.
 - (h) "Loss conversion factor" means the factor designated in Table I.
 - (i) "Converted losses" means the incurred losses multiplied by the applicable loss conversion factor.
 - (j) "State tax multiplier" means the applicable factor stated in the State Tax Multiplier Table in Table I.
 - (k) "Minimum retrospective premium" is the amount obtained by the application of the minimum premium percentage stated in Table II to the standard premium.
 - (l) "Maximum retrospective premium" is the amount obtained by the application of the maximum premium percentage stated in Table II to the standard premium.
4. **Payments and Computations of Premium for Insurance Subject to Plan D.**
 - (a) **Standard Premium.** The named insured shall pay the standard premium to the company in accordance with the provisions of the policies, other than this endorsement, specifying the manner of premium payment.
 - (b) **Retrospective Premium.** A computation of the retrospective premium, based upon incurred losses valued as of a date six months after termination of the policies, shall be made by the company as soon as practicable after such valuation date. The premium so computed shall be the final retrospective premium if (1) all claims have been closed or it is apparent that the retrospective premium will exceed the maximum retrospective premium, and (2) within ninety days from approval of such computation by the organization having jurisdiction, the company, with the agreement of the named insured, requests of such organization that the computation be final.
If such computation is not final, a further computation of the retrospective premium, based upon incurred losses valued as of a date eighteen months after termination of the policies, shall be made by the company as soon as practicable after such valuation date. Such further computation shall be final unless, within ninety days from approval of such computation by the organization having jurisdiction, the company or the named insured requests of such organization that a further computation be authorized. Any subsequent computations, to be made only at intervals of twelve months, shall each be subject to a similar procedure.
If the named insured disposes of his entire interest in the operations covered by the policies, or makes an assignment for the benefit of creditors, or is in a legal proceeding reorganized or declared bankrupt or insolvent, and if the retrospective premium as of the date of such change of status is greater than the standard premium for insurance to such date, the company may compute the retrospective premium as of such date, as soon as practicable thereafter.
After each computation, if the premium thus computed exceeds the premium paid for insurance subject to Plan D, the named insured shall pay the difference to the company; if less, the company shall return the difference to the named insured.
5. **Cancellation.**

In the event of cancellation of the policies designated in Table I, the premium for insurance subject to Plan D shall be determined in accordance with the other provisions of this endorsement, provided:

 - (a) **Cancellation by the named insured.** In the event of cancellation by the named insured, (1) in computing the basic premiums and excess loss premiums for each state, the standard premium shall be computed at short rates in accordance with the customary short rate table and procedure; the minimum retrospective premium shall be the standard premium so computed; (2) in computing the maximum retrospective premium, the standard premium shall be computed pro rata for the period the policies were in force and then extended pro rata to the normal expiration date of the policies.
 - (b) **Cancellation by the company.** In the event of cancellation by the company because of non-payment of premium by the named insured, in computing the maximum retrospective premium, the standard premium shall be computed pro rata for the period the policies were in force and then extended pro rata to the normal expiration date of the policies.
 - (c) **Cancellation of part of the named insured's operations.** In the event of cancellation of insurance on a part of the named insured's operations the retrospective premium shall be computed in accordance with the rule of Retrospective Rating Plan D which were in effect upon the effective date of the policies.

(over)

FFIC000255

1. The premium for the following policies is to be computed in accordance with the provisions of Retrospective Rating Plan D in all states where such plan is or becomes applicable on an interstate basis, subject to the limitations specified herein:

List of Policies

LC 1655700 AND WC 125000

2. Plan D does not apply to the premium for policies

in the states of

3. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below shall not be subject to Plan D:

Contractual Liability Endorsement (if made a part of any general liability policy designated in paragraph 1 above)

Bodily Injury Liability	\$ 25,000	each person
	\$ 25,000	each accident
Property Damage Liability	\$ 25,000	each accident
	\$150,000	aggregate

The incurred losses to be included in computing the premium for the insurance subject to Plan D shall not include that portion of the losses actually paid and the reserves for unpaid losses which is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest accruing after entry of judgment, allocated loss adjustment expenses and expenses incurred in seeking recovery against a third party shall not be subject to such limits.

4. Combined Liability Loss Limitation is \$
5. Compensation Loss Limitation is \$ **25,000**
6. Automobile Physical Damage Loss Limitation is \$
7. Loss Conversion Factor is **1.143**
- 8.

[illegible]

Table II — Percentages to Determine Basic, Minimum, and Maximum Premiums

The basic premium, the minimum premium, and the maximum premium for insurance subject to Plan D are percentages of the standard premium for such insurance. Such percentages are computed initially upon an estimate of the standard premium and finally upon the earned standard premium for such insurance. If the standard premium lies between any two of the figures on the "Standard Premium" line, the percentages applicable shall be obtained by linear interpolation to the nearest one-tenth of 1%.

PERCENTAGES OF STANDARD PREMIUM		
	50%	100%
Standard Premium	\$ 191,992	\$ 383,984
Minimum Premium	BASIC X TAX MULT.	BASIC X TAX MULT.
Maximum Premium	125%	125%
Basic Premium	12.0%	9.3%
	150%	
	\$ 575,976	
	BASIC X TAX MULT.	
	125%	
	8.4%	
ACCEPTED	NAMED INSURED	

NEW YORK
1947-1948
AUTHENTIC

Authorized Representative

FFLC000256

AMFAC INC. ETAL
AMFAC CONTROLLED BUSINES
52011777

ANNIVERSARY ENDORSEMENT

DEPOSIT: NIL
EFFECTIVE: 7/1/71

SCHEDULE

COMPREHENSIVE GENERAL LIABILITY HAZARDS (Part I)						
DESCRIPTION OF HAZARDS	CODE NO.	PREMIUM BASES (A) AREA (SQ. FT.) (B) FRONTAGE (C) REMUNERATION	RATES		ESTIMATED PREMIUMS	
			BI	PD	BI	PD
PREMISES — OPERATIONS PREMISES AND OPERATIONS SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION	9880	(C) 50,000,000	\$.1450	\$.0240	\$72,500	\$12,000
			<u>PRIMARY RATES</u>		<u>EST. ANNUAL PREM:</u>	
			<u>EXCESS RATES</u> \$.0510 \$.0090		\$25,500	\$ 4,500
RETROSPECTIVE RATING NON-MONEY						
UND GROUP C						
ELEVATORS (NUMBER AT PREMISES)		NUMBER INSURED	PER ELEVATOR			
INCLUDED IN COMPOSITE RATE						
INDEPENDENT CONTRACTORS		COST	PER \$100 OF COST			
INCLUDED IN COMPOSITE RATE						
COMPLETED OPERATIONS		(A) RECEIPTS	(C) PER \$1,000 OF RECEIPTS			
INCLUDED IN COMPOSITE RATE						
PRODUCTS			(C) PER \$1,000 OF SALES			
INCLUDED IN COMPOSITE RATE						
ANNUAL COMPREHENSIVE GENERAL LIABILITY SUB-TOTAL					\$ 98,000	\$ 16,500

COMPREHENSIVE AUTOMOBILE LIABILITY HAZARDS (Part II)						
DESCRIPTION OF HAZARDS						
1. OWNED AUTOMOBILES—PREMIUM BASIS—PER AUTOMOBILE						
TOWN OR CITY AND STATE IN WHICH THE AUTOMOBILE WILL BE PRINCIPALLY GARAGED	YEAR OF MODEL	TRADE NAME	BODY TYPE AND MODEL; TRUCK SIZE; TANK GALLONAGE CAPACITY; OR BUS SEATING CAPACITY	IDENTIFICATION NUMBER SERIAL NUMBER MOTOR NUMBER	PURPOSES OF USE	
ALL OWNED, HIRED OR NON-OWNED AUTOMOBILES SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION ESTIMATED REMUNERATION \$50,000,000 9990						<u>PRIMARY RATES</u> \$.1031 \$.0434 <u>EXCESS RATES</u> \$.0672 \$.0288 <u>EST. ANNUAL PREM.</u> <u>PRIMARY PREM.</u> \$51,550 \$21,700 <u>EXCESS PREM.</u> \$33,600 \$14,400
2. HIRED AUTOMOBILES—PREMIUM BASIS—COST OF HIRE						
TYPES HIRED	LOCATIONS WHERE AUTOMOBILES WILL BE PRINCIPALLY USED	PURPOSES OF USE	ESTIMATED COST OF HIRE	RATES PER \$100 COST OF HIRE		
						BI PD
INCLUDED IN COMPOSITE RATE						
3. NON-OWNED AUTOMOBILES—PREMIUM BASIS—CLASS 1 PERSONS AND CLASS 2 EMPLOYEES						
CLASS 1 PERSONS—NAME OF EACH			LOCATION OF HEADQUARTERS OF PERSONS NAMED HEREIN			
INCLUDED IN COMPOSITE RATE						
CLASS 2 EMPLOYEES—ESTIMATED AVERAGE NUMBER			LOCATION OF HEADQUARTERS OF CLASS 2 EMPLOYEES		RATES PER EMPLOYEE	
					BI PD	
INCLUDED IN COMPOSITE RATE						
ANNUAL COMPREHENSIVE AUTOMOBILE LIABILITY SUB-TOTAL					\$ 85,150	\$ 36,500

ACTIVITY

TOTAL ESTIMATED PREMIUM

\$ 225,750

00257

END. NO. 22

IT IS AGREED THAT THE BASIS OF PREMIUM COMPUTATION UNDER THIS POLICY IS "REMUNERATION".
"REMUNERATION" MEANS THE AUDITED WORKMEN'S COMPENSATION PAYROLL DURING THE POLICY
PERIOD.

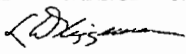
UNDERWRITTEN

AUG 31 1971

HONOLULU

NON-MONEY

UND GROUP
C

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC, INC. ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

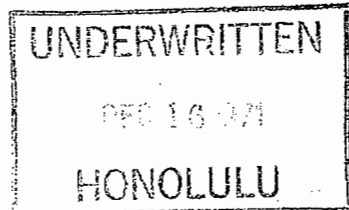
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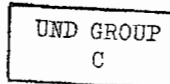
END #23

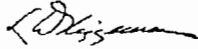
IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE
INSURED IS AMENDED TO DELETE:

PROSSER-PACKERS, INC.
1001 BENNET AVE.
PROSSER, WASHINGTON



NON-MONEY



POLICY NUMBER		INSURED		12-16-71 GH EFFECTIVE	
LC 1655700		AMFAC INC., ETAL		09-10-71	
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS  PRESIDENT			PRODUCER		
			AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT		

180009-6-65 SETS

FFIC000259

SCHEDULE

COMPREHENSIVE GENERAL LIABILITY HAZARDS (Part I)							
DESCRIPTION OF HAZARDS	CODE NO.	PREMIUM BASES	RATES		ESTIMATED PREMIUMS		
			BI	PD	BI	PD	
PREMISES — OPERATIONS Premises and Operations subject to composite rate applied to each \$100 of remuneration	9880	(A) AREA (SQ. FT.) (B) FRONTAGE (C) REMUNERATION a) 38,000,000	(A) PER 100 SQ. FT. OF AREA (B) PER LINEAR FT. (C) PER \$100 OF REMUNERATION .160	.040	Est. Annual Prem. 60,800.	15,200.	
					<u>Deposit:</u> 3,040. 760.		
ELEVATORS (NUMBER AT PREMISES) Included in composite rate		NUMBER INSURED	PER ELEVATOR				
INDEPENDENT CONTRACTORS Included in composite rate		COST	PER \$100 OF COST				
COMPLETED OPERATIONS Included in composite rate		(A) RECEIPTS	(A) PER \$1,000 OF RECEIPTS				
PRODUCTS Included in composite rate		(B) SALES	(B) PER \$1,000 OF SALES				
Annual					COMPREHENSIVE GENERAL LIABILITY SUB-TOTAL	\$ 60,800.	\$ 15,200.

COMPREHENSIVE AUTOMOBILE LIABILITY HAZARDS (Part II)							
DESCRIPTION OF HAZARDS							
1. OWNED AUTOMOBILES—PREMIUM BASIS—PER AUTOMOBILE							
TOWN OR CITY AND STATE IN WHICH THE AUTOMOBILE WILL BE PRINCIPALLY GARAGED	YEAR OF MODEL	TRADE NAME	BODY TYPE AND MODEL; TRUCK SIZE; TANK GALLONAGE CAPACITY; OR BUS SEATING CAPACITY	IDENTIFICATION NUMBER SERIAL NUMBER MOTOR NUMBER	PURPOSES OF USE		
All owned, hired or non-owned automobiles Subject to composite rate applied to each \$100 of remuneration - remuneration \$38,000,000					9990	Rates .128 .032 Est. Annual Prem. 48,640. 12,160. <u>Deposit</u> 2,432. 608.	
2. HIRED AUTOMOBILES—PREMIUM BASIS—COST OF HIRE							
TYPES HIRED	LOCATIONS WHERE AUTOMOBILES WILL BE PRINCIPALLY USED	PURPOSES OF USE	ESTIMATED COST OF HIRE	RATES PER \$100 COST OF HIRE			
				BI	PD		
Included in composite rate							
3. NON-OWNED AUTOMOBILES—PREMIUM BASIS—CLASS 1 PERSONS AND CLASS 2 EMPLOYEES							
CLASS 1 PERSONS—NAME OF EACH		LOCATION OF HEADQUARTERS OF PERSONS NAMED HEREIN					
Included in composite rate							
CLASS 2 EMPLOYEES—ESTIMATED AVERAGE NUMBER		LOCATION OF HEADQUARTERS OF CLASS 2 EMPLOYEES			RATES PER EMPLOYEE		
					BI	PD	
Included in composite rate							
Annual					COMPREHENSIVE AUTOMOBILE LIABILITY SUB-TOTAL	\$ 48,640.	\$ 12,160.

TOTAL ESTIMATED PREMIUM

\$ 110,800

AMFAC INC., ETAL

DEPOSIT: NIL
EFF: 07-01-72

AMFAC CONTROLLED BUSINESS 52015777

SCHEDULE

END #26

COMPREHENSIVE GENERAL LIABILITY HAZARDS (Part I)

DESCRIPTION OF HAZARDS	CODE NO.	PREMIUM BASES	RATES		ESTIMATED PREMIUMS	
			BI	PD	BI	PD
PREMISES — OPERATIONS PREMISES AND OPERATIONS SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION 9880		(A) AREA (SQ. FT.) (B) FRONTAGE (C) REMUNERATION C)	(A) PER 100 SQ. FT. OF AREA (B) PER LINEAR FT. (C) PER \$100 OF REMUNERATION RATES			EST. ANNUAL PREM:
		50,000,000	\$.2013	\$.0355	\$100,650	\$17,750
ESCALATORS (NUMBER AT PREMISES) INCLUDED IN COMPOSITE RATE		NUMBER INSURED	PER LANDING			
INDEPENDENT CONTRACTORS INCLUDED IN COMPOSITE RATE		COST	PER \$100 OF COST			
COMPLETED OPERATIONS INCLUDED IN COMPOSITE RATE		(A) RECEIPTS	(A) PER \$1,000 OF RECEIPTS			
PRODUCTS INCLUDED IN COMPOSITE RATE		(B) SALES	(B) PER \$1,000 OF SALES			
ANNUAL COMPREHENSIVE GENERAL LIABILITY SUB-TOTAL					\$100,650	\$17,750

UNDERWRITTEN

JUL 19 1972

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COMPREHENSIVE AUTOMOBILE LIABILITY HAZARDS (Part II)

DESCRIPTION OF HAZARDS							
1. OWNED AUTOMOBILES—PREMIUM BASIS—PER AUTOMOBILE							
TOWN OR CITY AND STATE IN WHICH THE AUTOMOBILE WILL BE PRINCIPALLY GARAGED	YEAR OF MODEL	TRADE NAME	BODY TYPE AND MODEL; TRUCK SIZE; TANK GALLONAGE CAPACITY; OR BUS SEATING CAPACITY	IDENTIFICATION NUMBER SERIAL NUMBER MOTOR NUMBER	PURPOSES OF USE		
ALL OWNED, HIRED OR NON-OWNED AUTOMOBILES SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION ESTIMATED REMUNERATION \$50,000,000						9990	
RATES						\$.1026	\$.0439
EST. ANNUAL PREM.						\$51,300	\$21,950
2. HIRED AUTOMOBILES—PREMIUM BASIS—COST OF HIRE							
TYPES HIRED	LOCATIONS WHERE AUTOMOBILES WILL BE PRINCIPALLY USED	PURPOSES OF USE	ESTIMATED COST OF HIRE	RATES PER \$100 COST OF HIRE			
INCLUDED IN COMPOSITE RATE							
3. NON-OWNED AUTOMOBILES—PREMIUM BASIS—CLASS 1 PERSONS AND CLASS 2 EMPLOYEES							
CLASS 1 PERSONS—NAME OF EACH		LOCATION OF HEADQUARTERS OF PERSONS NAMED HEREIN					
INCLUDED IN COMPOSITE RATE							
CLASS 2 EMPLOYEES—ESTIMATED AVERAGE NUMBER		LOCATION OF HEADQUARTERS OF CLASS 2 EMPLOYEES		RATES PER EMPLOYEE			
				BI	PD		
INCLUDED IN COMPOSITE RATE							
ANNUAL COMPREHENSIVE AUTOMOBILE LIABILITY S						\$51,300	\$21,950
ANNUAL						PREMIUM	\$91,650

NON-MONEY

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IT IS AGREED THAT SECTION V "SUPPLEMENTARY PAYMENTS" OF THE POLICY IS AMENDED TO READ: X

V. SUPPLEMENTARY PAYMENTS

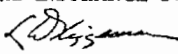
THE COMPANY WILL PAY, WITHIN THE APPLICABLE LIMITS OF LIABILITY:

- (a) ALL EXPENSES INCURRED BY THE COMPANY, ALL COSTS TAXED AGAINST THE INSURED IN ANY SUIT DEFENDED BY THE COMPANY AND ALL INTERESTS ON THE ENTIRE AMOUNT OF ANY JUDGMENT THEREIN WHICH ACCRUES AFTER ENTRY OF THE JUDGMENT AND BEFORE THE COMPANY HAS PAID OR TENDERED OR DEPOSITED IN COURT THAT PART OF THE JUDGMENT WHICH DOES NOT EXCEED THE LIMIT OF THE COMPANY'S LIABILITY THEREON; BUT SUCH EXPENSES DO NOT INCLUDE SALARIES AND TRAVELING EXPENSES OF COMPANY EMPLOYEES, COMPANY OVERHEAD, OR FEES PAID TO INDEPENDENT ADJUSTERS.
- (b) PREMIUMS ON APPEAL BONDS REQUIRED IN ANY SUCH SUIT, PREMIUMS ON BONDS TO RELEASE ATTACHMENTS IN ANY SUCH SUIT FOR AN AMOUNT NOT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY OF THIS POLICY, AND THE COST OF BAIL BONDS REQUIRED OF THE INSURED BECAUSE OF ACCIDENT OR TRAFFIC LAW VIOLATION ARISING OUT OF THE USE OF ANY VEHICLE TO WHICH THIS POLICY APPLIES, NOT TO EXCEED \$250 PER BAIL BOND, BUT THE COMPANY SHALL HAVE NO OBLIGATION TO APPLY FOR OR FURNISH ANY SUCH BONDS;
- (c) EXPENSES INCURRED BY THE INSURED FOR FIRST AID TO OTHERS AT THE TIME OF AN ACCIDENT, FOR BODILY INJURY TO WHICH THIS POLICY APPLIES;
- (d) REASONABLE EXPENSES INCURRED BY THE INSURED AT THE COMPANY'S REQUEST, INCLUDING ACTUAL LOSS OF WAGES OR SALARY (BUT NOT LOSS OF OTHER INCOME) NOT TO EXCEED \$25 PER DAY BECAUSE OF HIS ATTENDANCE AT HEARINGS OR TRIALS AT SUCH REQUEST.

ACCEPTED BY

NAME OF INSURED

TITLE

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMPAC, INC., ET AL	7/1/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS 		PRODUCER AMPAC CONTROLLED BUSINESS 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT
PRESIDENT		

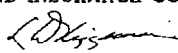
END #8

IT IS AGREED THAT AS RESPECTS ACCENT ENTERPRISES INC., THE
LIMITS OF LIABILITY UNDER COVERAGE A - BODILY INJURY AND
PERSONAL INJURY ARE AMENDED TO READ:

COVERAGE A \$ 500,000 EACH PERSON
 \$1,000,000 EACH OCCURRENCE
 \$1,000,000 AGGREGATE

CANCELLED

Effective ☐ SR ☐ PLAT ☒
PR ☐ Return Premium \$ ☐
☐ Ins. Req. ☐ Non-Pay
☐ Co's. Elec. ☐ Rewritten
☐ Other

POLICY NUMBER LC 165 5700	INSURED AMFAC INC., ETAL	EFFECTIVE 01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000263

END #8

ADDITIONAL PREMIUM \$21,530

IT IS AGREED THAT AS RESPECTS HAWAIIAN DISCOVERY TOURS, INC.,
AN EXCESS LIMITS CHARGE IN THE AMOUNT OF \$21,530 FOR AUTOMOBILE
BODILY INJURY LIABILITY APPLIES FOR THE PERIOD 04/01/70 TO
07/01/71.

CANCELLED

Effective _____
PR ☐ SR ☐ 21,530 FLAT ☒
Return Premium \$ 21,530.00
☐ Ins. Req. ☐ Non-Pay
☐ Co's. Elec. ☐ Rewritten
☐ Other _____

UNDERWRITTEN

NOV 03 1970

HONOLULU

MONEY

POLICY NUMBER LC 165 5700	INSURED AMFAC INC., ETAL	EFFECTIVE 04/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>[Signature]</i> PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT Fireman's Fund American Underwriters of Hawaii, Inc. <i>[Signature]</i> PRESIDENT

180009 - 6-65 SETS

Amfac P.C.

FFIC000264

END #8

ADDITIONAL PREMIUM \$21,530

(A81)

IT IS AGREED THAT AS RESPECTS HAWAIIAN DISCOVERY TOURS, INC.,
AN EXCESS LIMITS CHARGE IN THE AMOUNT OF \$21,530 FOR AUTOMOBILE
BODILY INJURY LIABILITY APPLIES FOR THE PERIOD 04/01/70 TO
07/01/71.

UND GROUP
C

UNDERWRITTEN

JUL 02 1970

HONOLULU

MONEY

*To be taken into account
amended for 7-1-70 to
7-1-71 M 7/7*

POLICY NUMBER LC 165 5700	INSURED AMFAC INC., ETAL	EFFECTIVE 04/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>(Signature)</i> PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000265

END #9

IT IS AGREED THAT IN CONSIDERATION OF AN ADDITIONAL PREMIUM
TO BE DETERMINED BY AUDIT ITEM 1 OF THE DECLARATIONS IS
AMENDED TO INCLUDE:

WESTERN DRUG SUPPLY, INCORPORATED

NON-MONEY

ATTACH TO DAILY REPORT - FRONT

UND GROUP
C

UNDERWRITTEN
JUL 20 1970
HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	07/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS		PRODUCER
		AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009-6-65 SEIS

PRESIDENT

END #4

IN CONSIDERATION OF AN ADDITIONAL PREMIUM TO BE DETERMINED BY
AUDIT, IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE
INSURED IS AMENDED TO INCLUDE:

ISLAND HOLIDAYS LTD.
POIPU BEACH DEVELOPMENT CORP.
LAHAINA INVESTMENT CORP.
KONA BEACH HOTEL INC.

UNDERWRITTEN

MAY 01 1970

HONOLULU

IT IS FURTHER AGREED THAT THE FOLLOWING COMPOSITE RATE APPLIES TO
EACH \$100 OF REMUNERATION:

HOTELS - PREMISES AND OPERATIONS	<u>BI</u> \$1.017	<u>PD</u> \$.061
HOTELS - AUTOMOBILES	\$.054	\$.024

*Apply Clause
to Hotel
Open
12-70
J. Kaspar*

NON MONEY

UND GROUP
C

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	12/01/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>[Signature]</i> PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

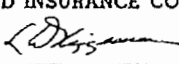
180009 - 6-65 SETS

FFIC000267

End. No. 1

It is agreed that such insurance as is afforded by this policy shall not apply to:

Island Holidays, Limited
Fred Harvey, Inc.
Joseph Magnin Co., Inc.

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMPAC INC., ETAL	7/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000268

END #5

IN CONSIDERATION OF AN ADDITIONAL PREMIUM TO BE DETERMINED
BY AUDIT, IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME
OF THE INSURED IS AMENDED TO INCLUDE:

ACCENT ENTERPRISES INC.
130 WEST BASTANCHURY RD.
FULLERTON, CALIFORNIA

NON-MONEY

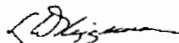
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HONOLULU

ATTACH TO DAILY REPORT - FRONT

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	12/18/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

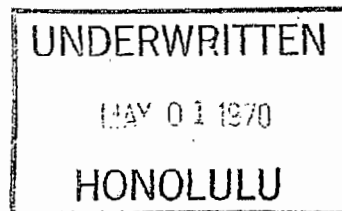
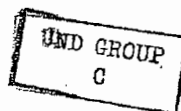
FFIC000269

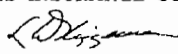
END #6

IN CONSIDERATION OF AN ADDITIONAL PREMIUM TO BE DETERMINED
UPON AUDIT, IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS IS
AMENDED TO INCLUDE:

HAWAIIAN DISCOVERY TOURS INC.

NON-MONEY



POLICY NUMBER LC 165 5700	ATTACH TO DAILY REPORT - FRONT AMFAC INC. ETAL	EFFECTIVE 01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000270

END #8

IT IS AGREED THAT AS RESPECTS ACCENT ENTERPRISES INC., THE
LIMITS OF LIABILITY UNDER COVERAGE A & BODILY INJURY AND
PERSONAL INJURY ARE AMENDED TO READ:

COVERAGE A \$ 500,000 EACH PERSON
\$1,000,000 EACH OCCURRENCE
\$1,000,000 AGGREGATE

ATTACH TO DAILY REPORT FRONT

CANCELLED

12-1-69
Hawaii Discrepancy
Towns Inc.

POLICY NUMBER LC 165 5700	Effective PR. <input type="checkbox"/> AMFAC INC., ETAL Return Premium \$ FLAT <input checked="" type="checkbox"/>	EFFECTIVE 01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS [Signature] PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT Fireman's Fund American Underwriters of Hawaii, Inc. [Signature] PRESIDENT

180009 - 6-65 SETS

FFIC000271

END #8

IT IS AGREED THAT AS RESPECTS ACCENT ENTERPRISES INC., THE
LIMITS OF LIABILITY UNDER COVERAGE A - BODILY INJURY AND
PERSONAL INJURY ARE AMENDED TO READ:

COVERAGE A \$ 500,000 EACH PERSON

\$1,000,000 EACH OCCURRENCE

\$1,000,000 AGGREGATE

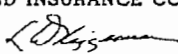
NON-MONEY

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HONOLULU

POLICY NUMBER	ATTACH TO ONLY REPORT FROM	
LC 165 5700	AMFAC INC., ETAL	01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000272

IT IS AGREED THAT SECTION V "SUPPLEMENTARY PAYMENTS" OF THE POLICY IS AMENDED TO READ:

V. SUPPLEMENTARY PAYMENTS

THE COMPANY WILL PAY, WITHIN THE APPLICABLE LIMITS OF LIABILITY:

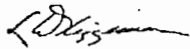
- (a) ALL EXPENSES INCURRED BY THE COMPANY, ALL COSTS TAXED AGAINST THE INSURED IN ANY SUIT DEFENDED BY THE COMPANY AND ALL INTERESTS ON THE ENTIRE AMOUNT OF ANY JUDGMENT THEREIN WHICH ACCRUES AFTER ENTRY OF THE JUDGMENT AND BEFORE THE COMPANY HAS PAID OR TENDERED OR DEPOSITED IN COURT THAT PART OF THE JUDGMENT WHICH DOES NOT EXCEED THE LIMIT OF THE COMPANY'S LIABILITY THEREON; BUT SUCH EXPENSES DO NOT INCLUDE SALARIES AND TRAVELING EXPENSES OF COMPANY EMPLOYEES, COMPANY OVERHEAD, OR FEES PAID TO INDEPENDENT ADJUSTERS.
- (b) PREMIUMS ON APPEAL BONDS REQUIRED IN ANY SUCH SUIT, PREMIUMS ON BONDS TO RELEASE ATTACHMENTS IN ANY SUCH SUIT FOR AN AMOUNT NOT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY OF THIS POLICY, AND THE COST OF BAIL BONDS REQUIRED OF THE INSURED BECAUSE OF ACCIDENT OR TRAFFIC LAW VIOLATION ARISING OUT OF THE USE OF ANY VEHICLE TO WHICH THIS POLICY APPLIES, NOT TO EXCEED \$250 PER BAIL BOND, BUT THE COMPANY SHALL HAVE NO OBLIGATION TO APPLY FOR OR FURNISH ANY SUCH BONDS;
- (c) EXPENSES INCURRED BY THE INSURED FOR FIRST AID TO OTHERS AT THE TIME OF AN ACCIDENT, FOR BODILY INJURY TO WHICH THIS POLICY APPLIES;
- (d) REASONABLE EXPENSES INCURRED BY THE INSURED AT THE COMPANY'S REQUEST, INCLUDING ACTUAL LOSS OF WAGES OR SALARY (BUT NOT LOSS OF OTHER INCOME) NOT TO EXCEED \$25 PER DAY BECAUSE OF HIS ATTENDANCE AT HEARINGS OR TRIALS AT SUCH REQUEST.

ACCEPTED BY

NAME OF INSURED

TITLE

M.E.D. NOV 10 1972

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC, INC., ET AL	7/1/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS 		PRODUCER AMFAC CONTROLLED BUSINESS 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT
PRESIDENT		

END #10

ANNIVERSARY ENDORSEMENT

ADDITIONAL PREMIUM

AMFAC INC., ETAL LC 1655700

SCHEDULE

\$16,000.00

EFFECTIVE 07/01/70

AMFAC CONTROLLED BUSINESS

COMPREHENSIVE GENERAL LIABILITY HAZARDS (Part I)

DESCRIPTION OF HAZARDS	CODE NO.	PREMIUM BASES	RATES		ESTIMATED PREMIUMS	
			BI	PD	BI	PD
PREMISES — OPERATIONS PREMISES AND OPERATIONS SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION 9880 C)		(A) AREA (SQ. FT.) (B) FRONTAGE (C) REMUNERATION 40,000,000	(A) PER 100 SQ. FT. OF AREA (B) PER LINEAR FT. (C) PER \$100 OF REMUNERATION .182	.032	EST. ANNUAL PREM. 72,800	12,800
					DEPOSIT PREM. 7,280	1,280
ELEVATORS (NUMBER AT PREMISES) INCLUDED IN COMPOSITE RATE		NUMBER INSURED	PER ELEVATOR			
INDEPENDENT CONTRACTORS INCLUDED IN COMPOSITE RATE		COST	PER \$100 OF COST			
COMPLETED OPERATIONS INCLUDED IN COMPOSITE RATE		(A) RECEIPTS (B) SALES	(A) PER \$1,000 OF RECEIPTS (B) PER \$1,000 OF SALES			
PRODUCTS INCLUDED IN COMPOSITE RATE						
ANNUAL COMPREHENSIVE GENERAL LIABILITY SUB-TOTAL					\$ 72,800	\$ 12,800

COMPREHENSIVE AUTOMOBILE LIABILITY HAZARDS (Part II)

DESCRIPTION OF HAZARDS						RATES	
1. OWNED AUTOMOBILES—PREMIUM BASIS—PER AUTOMOBILE							
TOWN OR CITY AND STATE IN WHICH THE AUTOMOBILE WILL BE PRINCIPALLY GARAGED	YEAR OF MODEL	TRADE NAME	BODY TYPE AND MODEL; TRUCK SIZE; TANK GALLONAGE CAPACITY; OR BUS SEATING CAPACITY	IDENTIFICATION NUMBER SERIAL NUMBER MOTOR NUMBER	PURPOSES OF USE		
ALL OWNED, HIRED OR NON-OWNED AUTOMOBILES SUBJECT TO COMPOSITE RATE APPLIED TO EACH \$100 OF REMUNERATION ESTIMATED REMUNERATION \$40,000,000						.130	.056
						EST. ANNUAL PREM.	
						52,000	22,400
						DEPOSIT PREM.	
						5,200	2,240
2. HIRED AUTOMOBILES—PREMIUM BASIS—COST OF HIRE							
LOCATIONS WHERE AUTOMOBILES WILL BE PRINCIPALLY USED	PURPOSES OF USE	ESTIMATED COST OF HIRE	RATES PER \$100 COST OF HIRE				
			BI	PD			
UND GROUP C							
INCLUDED IN COMPOSITE RATE							
3. NON-OWNED AUTOMOBILES—PREMIUM BASIS—CLASS 1 PERSONS AND CLASS 2 EMPLOYEES							
CLASS 1 PERSONS—NAME OF EACH		LOCATION OF HEADQUARTERS OF PERSONS NAMED HEREIN					
INCLUDED IN COMPOSITE RATE							
CLASS 2 EMPLOYEES—ESTIMATED AVERAGE NUMBER		LOCATION OF HEADQUARTERS OF CLASS 2 EMPLOYEES		RATES PER EMPLOYEE			
				BI	PD		
INCLUDED IN COMPOSITE RATE							
ANNUAL COMPREHENSIVE AUTOMOBILE LIABILITY SUB-TOTAL						\$ 52,000	\$ 22,400

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END #12

IN CONSIDERATION OF AN ADDITIONAL PREMIUM TO BE DETERMINED ON
AUDIT, IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF
THE INSURED IS AMENDED TO INCLUDE:

HENRY YIM'S TOURS & TAXI INC.

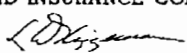
NON-MONEY

UND GROUP
C

UNDERWRITTEN

OCT 26 1970

HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	09-15-70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000275

END #13

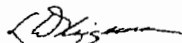
ADDITIONAL PREMIUM \$4,500

IT IS AGREED THAT AS RESPECTS HAWAIIAN DISCOVERY TOURS, INC. AN
EXCESS LIMITS CHARGE IN THE AMOUNT OF \$4,500 FOR AUTOMOBILE BODILY
 INJURY LIABILITY APPLIES FOR THE PERIOD 4-1-70 TO 7-1-70.

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UNDERWRITTEN
 NOV 04 1970
 HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	04-01-70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000276

END #14

ADDITIONAL PREMIUM \$4,800

IT IS AGREED THAT AS RESPECTS HAWAIIAN DISCOVERY TOURS, INC. AN
EXCESS LIMITS CHARGE IN THE AMOUNT OF \$4,800 FOR AUTOMOBILE BODILY
INJURY LIABILITY APPLIES FOR THE PERIOD 7-1-70 TO 7-1-71.

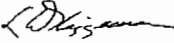
MONEY

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UNDERWRITTEN

NOV 04 1970

HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	07-01-70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

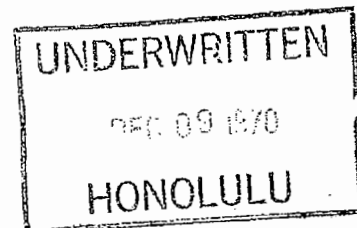
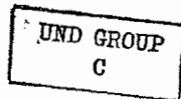
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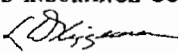
END #15

RETURN PREMIUM \$16,000.

IN CONSIDERATION OF A RETURN PREMIUM OF \$16,000 (\$7,440 AUTO LIABILITY AND \$8,560 MISCELLANEOUS LIABILITY), IT IS AGREED THAT DEPOSIT PREMIUMS ARE HEREBY WAIVED.

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POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	07-01-70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000278

END #16

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE
INSURED, IS AMENDED TO INCLUDE:

WASHINGTON THRIFT AND LOAN, TERM-PLAN FINANCE CO.
AND FINANCIAL DEVELOPMENT CORP.
1300 W. OLYMPIC BLVD.
LOS ANGELES, CALIF.

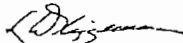
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NON-MONEY

POLICY NUMBER LC 1655700	INSURED AMFAC INC., ETAL	EFFECTIVE 09-25-70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000279

END #17

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE
INSURED, IS AMENDED TO INCLUDE:

METROPOLITAN MORTGAGE CORPORATION
505 SHATTU PLACE
LOS ANGELES, CALIF.

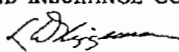
NON-MONEY

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UNDERWRITTEN

APR 07 1971

HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	03-07-71
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

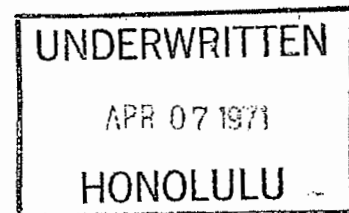
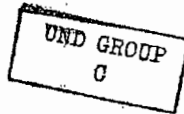
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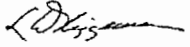
END #18

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE
INSURED, IS AMENDED TO INCLUDE:

ROCKY MOUNTAIN WHOLESALE DRUG COMPANY
1364 SOUTH 2ND WEST
SALT LAKE CITY, UTAH 84110

NON-MONEY



POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC INC., ETAL	04-01-71
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000281

END. NO. 19

LARGE RISK ACCT.

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE INSURED, IS AMENDED TO INCLUDE:

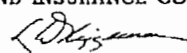
AMFAC DISTRIBUTION COMPANY
DBA: VALLEY ELECTRIC
1201 CALLENS ROAD, VENTURA, CALIF.
229 MILPAS ST., SANTA BARBARA, CALIF.
901 BLOSSER, SANTA PAULA, CALIF.
7917 PARAMOUNT, PICO RIVERA, CALIF.
SPRING STREET, LONG BEACH, CALIF.

RETROSPECTIVE RATING

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AUG 31 1971
HONOLULU

NON-MONEY

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC, INC. ETAL	4/1/71
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT	PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000282

END. NO. 20

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAME OF THE INSURED IS AMENDED TO INCLUDE:

PROSSER-PACKERS INC.
1001 BENNETT AVENUE
PROSSER, WASHINGTON

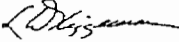
UNDERWRITTEN

AUG 31 1971

HONOLULU

UND GROUP
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NON-MONEY

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC, INC. ETAL	5/31/71
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

FFIC000283

52-00170

FF

AMFAC Controller

52011777

XL 34764

FFA Under. of Hawaii, Inc., Honolulu, Hawaii

52-001-100

FIREMAN'S FUND INSURANCE COMPANY



A STOCK COMPANY
HOME OFFICE: SAN FRANCISCO, CALIFORNIA

BLANKET EXCESS LIABILITY POLICY

XL- 38650

Nil Comm. Agent!

DECLARATIONS

UNDERWRITER
ACCESS & SPECIAL RCT.
DEPARTMENT AT
HOME OFFICE

1. Named Insured: ~~AMFAC, INC., et al~~ As Endorsee #1.

2. Address: 745 Fort Street, Honolulu, Hawaii

3. Policy Period: From October 11th, 1968 To October 11th, 1969
12.01 A.M. Standard Time at address of named insured.

4. Limit of Liability: \$ 10,000,000.00 each occurrence
\$ 1,000,000.00 aggregate

5. Premium Entry Abstract each occurrence

6. Advance Premium: \$ 12,367.00

Basis of Premium: Flat Charge

In the event of cancellation by the named insured, the company shall receive and retain not less than \$ 1,000.00 as the Policy Minimum Premium.

7. Schedule of Primary Policies:
(Primary Insurer, Policy No., Policy Period, Type of Policy, Limits of Liability)

As Endorsee #2

AUDIT COPY MADE

3-12-69 m/sf

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

H-L 250 10-62 @

DEPT'L OFFICE COPY

FFIC000191

AMPAC, INC.
Policy #XL 38650
Endorsement #2

Declaration #7. Schedule of Primary Policies, is completed to read:

- (a) Fireman's Fund Insurance Company; Policy #L 132 9023; effective July 1, 1968; Special Comprehensive Liability policy; Limits of Liability - Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence; Annual aggregate \$1,000,000 applicable to Products Hazard-Completed Operations, - Property Damage Liability, \$250,000 each occurrence.
- (b) American Foreign Insurance Association; policy number - OGL 15595; effective July 1, 1968; same policy terms and conditions as Fireman's Fund (a) above and this policy limited to accidents arising outside the United States in respect of which suits are originally brought in jurisdictions outside the United States; Limits of Liability: Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence;
- (c) AFTA (AMPAC Associates); Policy #C 4370; July 1, 1968 to July 1, 1969 or renewal thereof; Statutory Workmen's Compensation; Limits of Liability: Statutory.
- (d) United States Aviation Insurance Group Airport Liability Policy #LC 7195; Limits of Liability: Bodily Injury and Property Damage Combined \$1,000,000; Hangarkeeper's Liability \$50,000; policy period April 1, 1968 to April 1, 1969.
- (e) Employers' Surplus Lines Insurance Company Policies E513310, E513311, E513312, E513313 & E513314; Excess Workmen's Compensation; Limits of Liability \$1,000,000 per accident excess of \$35,100 self-insured retention; policy period May 31, 1968 to May 31, 1969.
- (f) Lloyd's of London Protection & Indemnity Policy AN3376; Limits \$100,000. Policy period July 9, 1968 to July 9, 1969.
- (g) Lloyd's of London Excess Protection & Indemnity Policy AN3377; Limits of Liability: \$900,000; Policy Period July 9, 1968 to July 9, 1969.

POLICY NUMBER	INSURED	EFFECTIVE
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT		PRODUCER COUNTERSIGNATURE OF AUTHORIZED AGENT

180001-1.65 SETS

FFIC000192

AMPAC, INC.
Policy #XL 38630
Endorsement #1

Declaration #1, Named Insured, is completed to read:

- (a) AMPAC, INC., and
- (b) Subsidiaries of AMPAC, INC., and
- (c) any companies which are under management and operating control of AMPAC, INC., or its subsidiaries, and
- (d) any partnership or joint venture under management and operating control of AMPAC, INC. or its subsidiaries, unless specifically excluded by endorsement.
- (e) any of above as respects their liability arising out of membership in any joint venture or partnership.

Coverage afforded by this policy to (d) and (e) above is applicable only insofar as coverage is available to the insured under primary policies.

POLICY NUMBER	INSURED	EFFECTIVE
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Paul H. Merrill</i> PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

180001-1.65 SETS

FFIC000193

NUCLEAR ENERGY LIABILITY EXCLUSION

It is agreed that the policy does not apply:

I. Under any Coverage, to injury, sickness, disease, death or destruction

- (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

II. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if

- (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
- (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

III. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;
"nuclear material" means source material, special nuclear material or by-product material;
"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

injury to or destruction of tangible property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

(c) any person or organization, except the named insured or other insured under this policy, included as an additional insured in any primary policy, but only to the extent that insurance is afforded to such person or organization under such primary policy;

(d) with respect to the ownership, maintenance or use of automobiles, including loading and unloading thereof, any person or organization while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with the named insured's permission, and any executive officer, director or stockholder of the named insured with respect to the use of a non-owned automobile in the business of the named insured. The insurance with respect to any person or organization other than the named insured does not apply under this division (d);

(1) to any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any occurrence arising out of the operation thereof;

(2) with respect to any hired automobile, to the owner or lessee thereof other than the named insured, or to any agent or employee of such owner or lessee;

(3) with respect to any non-owned automobile, to any executive officer, director or stockholder if such automobile is owned by him or a member of the same household;

Provided that parts (2) and (3) of this division (d) shall not apply to the extent that insurance is afforded to any such person under division (c) above;

(e) (1) if insurance is afforded under this policy with respect to aircraft owned by the named insured or hired by the named insured without pilot, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner or lessee thereof other than the named insured or any agent or employee of such owner or lessee;

(2) as respects any aircraft chartered with pilot by or in behalf of the named insured or any other aircraft not owned or hired by the named insured and otherwise used in behalf of the named insured in the named insured's business, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner, pilot or aircrew thereof or other person operating the aircraft;

Provided the insurance afforded to any person or organization other than the named insured does not apply under this division (e) to any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof.

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement.

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

(1) "Automobile" means a land motor vehicle, trailer or semi-trailer.

(2) "Owned Automobile" means an automobile owned by the named insured.

(3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.

(4) "Non-owned automobile" means any other automobile.

(c) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(d) Occurrence

With respect to Coverages A & B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, causes personal injury or property damage neither expected nor intended from the standpoint of the insured. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(e) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(f) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(g) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (c) and exclusion (d) below;
- (b) under Coverages A, B & C, except insofar as coverage is available to the insured under primary policies, to liability assumed by the insured under contract;

- (c) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;
- (d) under Coverage A, to any employee as an insured with respect to injury or death of another employee of the same employer, injured in the course of such employment;
- (e) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (f) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (g) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (h) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final

settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

5. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

6. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance, except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 5 preceding, expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

7. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

8. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

9. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

10. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

11. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is not recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

12. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

13. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

14. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed herein; if, however, the named insured shall die or be adjudged bankrupt or insolvent or any other discontinuance of an insured as a legal entity within the policy period, this policy, unless cancelled, shall

cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

15. CANCELLATION

This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than sixty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

16. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured represents that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.

Robert P. J. Conroy
SECRETARY

Hubert H. Merrill
PRESIDENT

3-12-69 em/sf

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

FINAL PAGE

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FFIC000204

XL 34784 WPA Feder. of Hawaii, Inc., Honolulu, Hawaii
37 001 100

FIREMAN'S FUND INSURANCE COMPANY



A STOCK COMPANY
HOME OFFICE: SAN FRANCISCO, CALIFORNIA

BLANKET EXCESS LIABILITY POLICY

XL- 38650

AUDIT COPY

DECLARATIONS

1. Named Insured: ~~WPA, INC., et al as Endorser #1.~~
2. Address: ~~745 Port Street, Honolulu, Hawaii~~
3. Policy Period: From ~~October 11th, 1968~~ To ~~October 11th, 1969~~
12.01 A.M. Standard Time at address of named insured.
4. Limit of Liability: \$ ~~10,000,000.00~~ each occurrence
\$ ~~10,000,000.00~~ aggregate
5. Insured's Retention: \$ ~~25,000.00~~ each occurrence
6. Advance Premium: \$ ~~22,367.00~~ Annual Minimum Premium: \$ ~~22,367.00~~

Basis of Premium: ~~Flat Charge~~

In the event of cancellation by the named insured, the company shall receive and retain not less than \$ ~~1,000.00~~ as the Policy Minimum Premium.

7. Schedule of Primary Policies:
(Primary Insurer, Policy No., Policy Period, Type of Policy, Limits of Liability)

~~as Endorser #1~~

~~9-12-68 wj/af~~

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

AMFAC, INC.
Policy #XL 38650
Endorsement #2

Declaration #7. Schedule of Primary Policies, is completed to read:

- (a) Fireman's Fund Insurance Company; Policy #L 132 9673; effective July 1, 1968; Special Comprehensive Liability policy; Limits of Liability - Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence; Annual aggregate \$1,000,000 applicable to Products Hazard-Completed Operations, - Property Damage Liability, \$250,000 each occurrence.
- (b) American Foreign Insurance Association; policy number - CGL 15595; effective July 1, 1968; same policy terms and conditions as Fireman's Fund (a) above and this policy limited to accidents arising outside the United States in respect of which suits are originally brought in jurisdictions outside the United States; Limits of Liability: Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence;
- (c) AVIA (AMFAC Associates); Policy #C 4370; July 1, 1968 to July 1, 1969 or renewal thereof; Statutory Workmen's Compensation; Limits of Liability: Statutory.
- (d) United States Aviation Insurance Group Airport Liability Policy #LC 7195; Limits of Liability: Bodily Injury and Property Damage Combined \$1,000,000; Hangarkeeper's Liability \$50,000; policy period April 1, 1968 to April 1, 1969.
- (e) Employers' Surplus Lines Insurance Company Policies #513310, #513311, #513312, #513313 & #513314; Excess Workmen's Compensation; Limits of Liability \$1,000,000 per accident excess of \$35,100 self-insured retention; policy period May 31, 1968 to May 31, 1969.
- (f) Lloyd's of London Protection & Indemnity Policy #B3376; Limits \$100,000. Policy period July 9, 1968 to July 9, 1969.
- (g) Lloyd's of London Excess Protection & Indemnity Policy #B3377; Limits of Liability: \$900,000; Policy Period July 9, 1968 to July 9, 1969.

POLICY NUMBER	INSURED	EFFECTIVE
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

180001-1.65 SETS

FFIC000206

ANFAC, INC.
Policy #11 38650
Endorsement #1

Declaration #1, Named Insured, is completed to read:

- (a) ANFAC, INC., and
- (b) Subsidiaries of ANFAC, INC., and
- (c) any companies which are under management and operating control of ANFAC, INC., or its subsidiaries, and
- (d) any partnership or joint venture under management and operating control of ANFAC, INC. or its subsidiaries, unless specifically excluded by endorsement.
- (e) any of above as respects their liability arising out of membership in any joint venture or partnership.

Coverage afforded by this policy to (d) and (e) above is applicable only insofar as coverage is available to the insured under primary policies.

POLICY NUMBER	INSURED	EFFECTIVE
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

180001-1-65 SETS

FFIC000207

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

injury to or destruction of tangible property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

(c) any person or organization, except the named insured or other insured under this policy, included as an additional insured in any primary policy, but only to the extent that insurance is afforded to such person or organization under such primary policy;

(d) with respect to the ownership, maintenance or use of automobiles, including loading and unloading thereof, any person or organization while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with the named insured's permission, and any executive officer, director or stockholder of the named insured with respect to the use of a non-owned automobile in the business of the named insured. The insurance with respect to any person or organization other than the named insured does not apply under this division (d);

(1) to any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any occurrence arising out of the operation thereof;

(2) with respect to any hired automobile, to the owner or lessee thereof other than the named insured, or to any agent or employee of such owner or lessee;

(3) with respect to any non-owned automobile, to any executive officer, director or stockholder if such automobile is owned by him or a member of the same household;

Provided that parts (2) and (3) of this division (d) shall not apply to the extent that insurance is afforded to any such person under division (c) above;

(e) (1) if insurance is afforded under this policy with respect to aircraft owned by the named insured or hired by the named insured without pilot, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner or lessee thereof other than the named insured or any agent or employee of such owner or lessee;

(2) as respects any aircraft chartered with pilot by or in behalf of the named insured or any other aircraft not owned or hired by the named insured and otherwise used in behalf of the named insured in the named insured's business, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner, pilot or aircrew thereof or other person operating the aircraft;

Provided the insurance afforded to any person or organization other than the named insured does not apply under this division (e) to any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof.

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement.

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

(1) "Automobile" means a land motor vehicle, trailer or semi-trailer.

(2) "Owned Automobile" means an automobile owned by the named insured.

(3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.

(4) "Non-owned automobile" means any other automobile.

(c) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(d) Occurrence

With respect to Coverages A & B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, causes personal injury or property damage neither expected nor intended from the standpoint of the insured. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(e) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(f) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(g) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (c) and exclusion (d) below;
- (b) under Coverages A, B & C, except insofar as coverage is available to the insured under primary policies, to liability assumed by the insured under contract;

- (c) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;
- (d) under Coverage A, to any employee as an insured with respect to injury or death of another employee of the same employer, injured in the course of such employment;
- (e) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (f) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (g) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (h) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final

settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

5. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

6. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance, except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 5 preceding, expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

7. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

8. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

9. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

10. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

11. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is not recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

12. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

13. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

14. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed herein; if, however, the named insured shall die or be adjudged bankrupt or insolvent or any other discontinuance of an insured as a legal entity within the policy period, this policy, unless cancelled, shall

cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

15. CANCELLATION

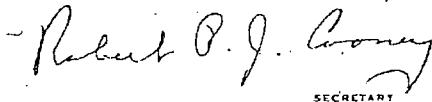
This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than sixty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

16. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured represents that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.


SECRETARY


PRESIDENT

3-12-69 em/sf

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

FINAL PAGE

385031-FF-11-66

FFIC000217

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, ~~humiliation or discrimination~~, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

injury to or destruction of tangible property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any ~~executive~~ officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

(c) any person or organization, except the named insured or other insured under this policy, included as an additional insured in any primary policy, but only to the extent that insurance is afforded to such person or organization under such primary policy;

(d) with respect to the ownership, maintenance or use of automobiles, including loading and unloading thereof, any person or organization while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with the named insured's permission, and any executive officer, director or stockholder of the named insured with respect to the use of a non-owned automobile in the business of the named insured. The insurance with respect to any person or organization other than the named insured does not apply under this division (d);

(1) to any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any occurrence arising out of the operation thereof;

(2) with respect to any hired automobile, to the owner or lessee thereof other than the named insured, or to any agent or employee of such owner or lessee;

(3) with respect to any non-owned automobile, to any executive officer, director or stockholder if such automobile is owned by him or a member of the same household;

Provided that parts (2) and (3) of this division (d) shall not apply to the extent that insurance is afforded to any such person under division (c) above;

(e) (1) if insurance is afforded under this policy with respect to aircraft owned by the named insured or hired by the named insured without pilot, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner or lessee thereof other than the named insured or any agent or employee of such owner or lessee;

(2) as respects any aircraft chartered with pilot by or in behalf of the named insured or any other aircraft not owned or hired by the named insured and otherwise used in behalf of the named insured in the named insured's business, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner, pilot or aircrew thereof or other person operating the aircraft;

Provided the insurance afforded to any person or organization other than the named insured does not apply under this division (e) to any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof.

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement.

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

(1) "Automobile" means a land motor vehicle, trailer or semi-trailer.

(2) "Owned Automobile" means an automobile owned by the named insured.

(3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.

(4) "Non-owned automobile" means any other automobile.

(c) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(d) Occurrence

With respect to Coverages A & B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, causes personal injury or property damage neither expected nor intended from the standpoint of the insured. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(e) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(f) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(g) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (c) and exclusion (d) below;
- (b) under Coverages A, B & C, except insofar as coverage is available to the insured under primary policies, to liability assumed by the insured under contract;

- (c) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;
- (d) under Coverage A, to any employee as an insured with respect to injury or death of another employee of the same employer, injured in the course of such employment;
- (e) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (f) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (g) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (h) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final

settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

5. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

6. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance; except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 5 preceding, expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

7. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

8. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

9. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

10. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

11. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

12. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

13. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

14. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die or be adjudged bankrupt or insolvent or any other discontinuance of an insured as a legal entity within the policy period, this policy, unless cancelled, shall

cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

15. CANCELLATION

This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than sixty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

16. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured represents that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.

Robert P. J. Conroy

SECRETARY

[Signature]

PRESIDENT

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

#3

A.P. \$2,557.

It is agreed the premium for the policy is amended to \$24,924.

Handwritten: Underwritten
Handwritten: H.O.
Handwritten: FSR Dept
Stamp: E.R.G. JUL 1 1969

POLICY NUMBER	INSURED	EFFECTIVE
XL 38650	AMFAC, INC.	3/28/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

180009 - 6-65 SETS

FFIC000228

A.P. \$1,404.

In consideration of an additional premium of \$1,404. it is agreed
 The Island Holiday Hotels are covered over the following primary
 policies:

Hawaiian Ins. & Guaranty Co.
 Comprehensive General & Automobile policies
 CLA - 8191 and CLA 8193
 January 1, 1970 Expiration date.

Bodily Injury Liability	\$100,000 each person 300,000 each occurrence 300,000 aggregate
Property Damage Liability	100,000 each occurrence & aggregate

POLICY NUMBER	INSURED	EFFECTIVE
XL 3 8650	Amfac, Inc., et al	8/1/69
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT	PRODUCER	
	COUNTERSIGNATURE OF AUTHORIZED AGENT	

FIREMAN'S FUND INSURANCE COMPANY

A STOCK COMPANY

HOME OFFICE: SAN FRANCISCO, CALIFORNIA



XL- 34740

BLANKET EXCESS LIABILITY POLICY

SPECIMEN

THIS IS OUR STANDARD FORM WHICH
MAY BE SUBJECT TO MODIFICATION
DEPENDING ON THE CHARACTERISTICS
OF A SPECIFIC RISK.

DECLARATIONS

1. Named Insured:
2. Address:
3. Policy Period: From _____ To _____
12.01 A.M. Standard Time at address of named insured.
4. Limit of Liability: \$ _____ each occurrence
\$ _____ aggregate
5. Insured's Retention: \$ _____ each occurrence
6. Advance Premium: \$ _____ Annual Minimum Premium: \$ _____
Basis of Premium:
In the event of cancellation by the named insured, the company
shall receive and retain not less than \$ _____ as the Policy
Minimum Premium.
7. Schedule of Primary Policies:
(Primary Insurer, Policy No., Policy Period, Type of Policy, Limits
of Liability)

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

FFIC000230

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, humiliation or discrimination, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

Injury to or destruction of corporeal property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading, of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any executive officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement,

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

(1) "Automobile" means a land motor vehicle, trailer or semi-trailer.

(2) "Owned automobile" means an automobile owned by the named insured.

(3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.

(4) "Non-owned automobile" means any other automobile.

(c) Contract

"Contract" means any written contract or agreement, entered into by the insured in the usual course of the insured's business operations, except an agreement with a railroad other than an easement, sidetrack or lease of premises agreement.

(d) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(e) Occurrence

With respect to Coverages A and B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, unexpectedly and unintentionally causes personal injury or property damage. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(f) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(g) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(h) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (b) and exclusion (c) below;
- (b) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;

- (c) under Coverage A, to any employee as an insured with respect to injury to or death of another employee of the same employer, injured in the course of such employment;
- (d) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (e) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (f) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (g) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

6. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

7. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance, except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 6 preceding, expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

8. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

9. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

10. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

11. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

12. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

13. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

14. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

15. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

16. CANCELLATION

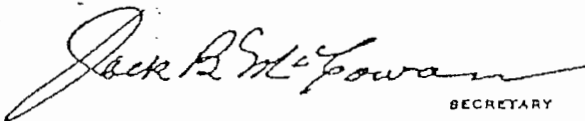
This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than thirty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

17. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured warrants that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.


SECRETARY


PRESIDENT

FINAL PAGE

ULF 250

FFIC000240

JUGER'S CODE		NAME AND ADDRESS		AUDIT	PREVIOUS POLICY NO.	POLICY PREFIX AND NUMBER	
500002 HON52011777 AMFAC		HONOLULU, HAWAII		4	L 1359023	LC-165 57 00	
BRANCH	COMMISSION	HONOLULU BRANCH					
52	GEN. LIAB. 0 %	GLASS 0 %	AUTO LIAB. 0 %	AUTO PHY. DAM. 0 %			

AUDIT REQUISITION PREPARED

DECLARATIONS 01 FIREMAN'S FUND INSURANCE COMPANY 07 NATIONAL SURETY CORPORATION
18 THE AMERICAN INSURANCE COMPANY 15 AMERICAN AUTOMOBILE INSURANCE COMPANY

01 INSURING COMPANY (SEE ABOVE)		ITEM 4. BUSINESS OF THE NAMED INSURED IS			
ITEM 1. NAMED INSURED AND ADDRESS (NUMBER, STREET, TOWN, COUNTY, STATE, ZIP CODE)		ITEM 5. LOCATIONS OF REAL ESTATE OWNED, RENTED OR CONTROLLED BY NAMED INSURED			
<p>See Grds</p> <p>AMFAC INC., ETAL (AS PER PARAGRAPH II OF THE POLICY) P. O. BOX 3230 HONOLULU, HAWAII</p>		<p>REINSURANCE</p> <p>RETROSPECTIVE RATING</p> <p>(ENTER "SAME" IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1)</p>			
ITEM 2. POLICY PERIOD		ITEM 7. PART OCCUPIED BY NAMED INSURED			
<p>FROM 07/01/69 TO UNTIL CANCELLED</p> <p>12:01 A.M., STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED AS STATED HEREIN</p>		<p>(ENTER "OWNER," "GENERAL LESSEE" OR "TENANT")</p>			
ITEM 3. THE NAMED INSURED IS		ITEM 8. AUDIT PERIOD: ANNUAL, UNLESS OTHERWISE STATED			
<input type="checkbox"/> INDIVIDUAL; <input type="checkbox"/> PARTNERSHIP; <input checked="" type="checkbox"/> CORPORATION; <input type="checkbox"/> JOINT VENTURE; <input type="checkbox"/> OTHER		<p>LARGE RISK ACCT.</p> <p>MONTHLY</p>			
ITEM 9. THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH OF THE FOLLOWING PARTS AND COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGE OR CHARGES. THE LIMIT OF THE COMPANY'S LIABILITY AGAINST EACH SUCH COVERAGE SHALL BE AS STATED HEREIN, SUBJECT TO ALL THE TERMS OF THIS POLICY HAVING REFERENCE THERETO.					
PART	COVERAGES	LIMITS OF LIABILITY			ESTIMATED PREMIUM
		EACH PERSON	EACH OCCURRENCE	AGGREGATE	
I	COMPREHENSIVE } A. BODILY INJURY LIABILITY GENERAL LIABILITY } B. PROPERTY DAMAGE LIABILITY	AS PER PARAGRAPH III OF THE POLICY XXXXXXX			\$ 60,800.00 \$ 15,200.00
II	COMPREHENSIVE } C. BODILY INJURY LIABILITY AUTOMOBILE } D. PROPERTY DAMAGE LIABILITY LIABILITY	AS PER PARAGRAPH III OF THE POLICY XXXXXXX			\$ 48,640.00 \$ 12,160.00
AUTOMOBILE	COMPREHENSIVE	AS SHOWN IN SCHEDULE OF COVERAGE PART			\$
PHYSICAL DAMAGE	COLLISION				\$
ENDORSEMENTS AND ADDITIONAL COVERAGE PARTS (IDENTIFY BY FORM NUMBERS)					
105075 - ADDL. INSURED 100149 - AGREEMENT TO DELETE UM 105043 - ADDL. INSURED 180018 - SCHEDULE GU 8227b - RETRO. PREM. END. 180009 - END. NO. 1&2 100065 - UNIFORM MOTOR CARRIER					
LUTO - 154460 - 3,040.00 - 0000					TOTAL ESTIMATED PREMIUM \$ 136,800.00
LIAB - 156091 - 3,800.00 - 0000					ADVANCE PREMIUM \$ 6,840.00

DATE OF ISSUE	
11 10/14/69	

COMPREHENSIVE LIABILITY POLICY 5501-10-66

PROCESSING COPY

NOV 24 1969 JVL FFIC000318

LC-165 57 00

LC-165 57 00

ENDORSEMENT #37

LTR 11/20

INSTALLMENT PAYMENT OF PREMIUM

It is agreed that the premium for the policy to which this endorsement is attached is payable in installments on the due dates as follows:

DISTRIBUTION OF PREMIUM			
DUE DATE	MISC.	AUTO	TOTAL PREMIUM
7/1/72	6,962.	2,985.	9,947.
10/1/72	6,961.	2,983.	9,944.
1/1/73	6,961.	2,983.	9,944.
4/1/73	6,961.	2,983.	9,944.

LARGE RISK MONEY

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UNDERWRITTEN
NOV 03 1972
HONOLULU

TOTAL INSTALLMENT CHARGE \$ 39,779.00

POLICY NUMBER LC 1655700	INSURED AMFAC, INC. ET AL.	EFFECTIVE 7/1/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY		PRODUCER AMFAC CONTROLLED BUSINESS 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT
<i>Paul H. Merrill</i> PRESIDENT		70-X

100132-2.65

FFIC000319

A.P. MISC \$27,845.
AUTO \$11,934

ENDORSEMENT #36

INCLUDED IN ENDORSEMENT #37

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

ANNUAL ANNIVERSARY ENDORSEMENT

It is agreed that Premium and Deposit for the period July 1, 1972 to July 1, 1973 are:

<u>ITEM</u>	<u>PREMIUM AND DEPOSIT</u>	<u>MINIMUM PREMIUM</u>
SERVICE PREMIUM	\$39,779.	\$39,779.
LOSS FUND DEPOSIT	TO BE DETERMINED	-

LARGE RISK

MISC.	BI	\$22,276.
	PD	\$ 5,569.
AUTO	BI	\$ 8,354.
	PD	\$ 3,580.

UNDERWRITTEN
NOV 03 1972
HONOLULU

UND GROUP
C

NON-MONEY

POLICY NUMBER	INSURED	EFFECTIVE
LC 1655700	AMFAC, INC. ET AL.	7/1/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS		PRODUCER
Fred H. Merrill PRESIDENT		AMFAC CONTROLLED BUSINESS 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT

July until Amend

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

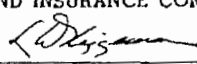
- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

EXR

AMT. NOV 10 1972

Anch Copy

It is hereby agreed, endorsement #26 is declared null & void.

POLICY NUMBER	INSURED	EFFECTIVE
LC165 5700	AMFAC INC., ETAL	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS		PRODUCER
 PRESIDENT		AMFAC CONTROLLED BUSINESS COUNTERSIGNATURE OF AUTHORIZED AGENT

180027-2.67

FFIC000321

ENDORSEMENT #34

IN LIEU OF ENDT. # 25

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
☐
☐

IT IS AGREED THAT PARAGRAPH III OF THE POLICY, LIMITS OF LIABILITY, IS DELETED IN ITS ENTIRETY AND THE FOLLOWING IS SUBSTITUTED:

III. LIMITS OF LIABILITY

REGARDLESS OF THE NUMBER OF

- (1) INSUREDS UNDER THIS POLICY,
- (2) PERSONS OR ORGANIZATIONS WHO SUSTAIN BODILY AND PERSONAL INJURY OR PROPERTY DAMAGE,
- (3) CLAIMS MADE OR SUITS BROUGHT ON ACCOUNT OF BODILY INJURY AND PERSONAL INJURY OR PROPERTY DAMAGE OR
- (4) AUTOMOBILES TO WHICH THIS POLICY APPLIES,

THE LIMIT OF THE COMPANY'S LIABILITY FOR DAMAGES UNDER ALL BODILY INJURY LIABILITY, PERSONAL INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY COVERAGES, SHALL BE A SINGLE LIMIT OF \$25,000 PER EACH OCCURRENCE.

LARGE RISK

ACCEPTED: _____

Name of Insured

Title

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 57 00	AMFAC, Inc. et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H. Merrill</i> PRESIDENT	PRODUCER	
	Amfac Controlled Business 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT Fireman's Fund American Underwriters of Hawaii, Inc. <i>Don Walker</i> PRESIDENT	

180026-2.67

FFIC000322

ENDORSEMENT # 31

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

It is agreed that Item (g) of the Exclusions of the policy is deleted.

ACCEPTED

Name of Insured

Title

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC, Inc., et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS	PRODUCER Amfac Controlled Business 52 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT	
<i>Fred H. Merrill</i> PRESIDENT		

180027-2-67

FFIC000323

ENDORSEMENT # 30

SAD - NO ENTRY

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

It is agreed that the Retrospective Premium Endorsement #27 - One Year - Plan D effective 7-1-72 is deleted.

ACCEPTED

Name of Insured

Title

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC, Inc., et al	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>Fred H Merrill</i> PRESIDENT		PRODUCER Amfac Controlled Business \$2 011 777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180027-2-67

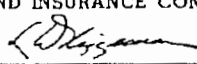
FFIC000324

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following designated insurance:

- ☐ COMPREHENSIVE GENERAL LIABILITY INSURANCE
- ☐ COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
- ☐ OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
- ☐
- ☐

X/R

It is hereby agreed, endorsement #26 is declared null & void.

POLICY NUMBER	INSURED	EFFECTIVE
LC165 5700	AMPAC INC., ETAL	7-1-72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS		PRODUCER
 PRESIDENT		AMPAC CONTROLLED BUSINESS COUNTERSIGNATURE OF AUTHORIZED AGENT

180027--2.67

FFIC000325

END NO. 24

IT IS AGREED THAT ITEM 1 OF THE DECLARATIONS, NAMED INSURED, IS AMENDED TO DELETE:

AMFAC COMMUNITIES, INC.
ACCENT ENTERPRISES, INC.
AMFAC MOBILE HOME SALES
AMFAC SILVERADO CORP.
WESTERN DRUG SUPPLY, INC.
NATIONAL ELECTRIC SUPPLY, INC.
VALLEY ELECTRIC COMPANY
WASHINGTON THRIFT AND LOAN
TERM-PLAN FINANCE CO.
FINANCIAL DEVELOPMENT CORP.
METROPOLITAN MORTGAGE CORP.
ROCKY MOUNTAIN WHOLESALE DRUG CO.

UNDERWRITTEN

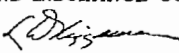
APR 17 1972

HONOLULU

NON-MONEY

UND GROUP
C

04/13/72 LW

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 57 00	AMFAC, INC. ETAL.	04/15/72
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180001-1.65 SETS

FFIC000326

END 07

AMENDMENT OF LIMITS ENDORSEMENT

IT IS AGREED THAT THE LIMITS OF THE COMPANY'S LIABILITY AS STATED
IN THE DECLARATIONS OF THE POLICY ARE AMENDED AS FOLLOWS:

LIMITS OF LIABILITY

<u>COVERAGE(S)</u>	<u>EACH PERSON</u>	<u>EACH OCCURRENCE</u>	<u>AGGREGATE</u>
A	\$250,000	\$500,000	\$500,000
C	\$250,000	\$500,000	

IT IS FURTHER AGREED THAT THE PROVISIONS OF THIS ENDORSEMENT DO
NOT APPLY TO THE FOLLOWING SUBSIDIARY COMPANIES:

NON-MONEY

HAWAIIAN DISCOVERY TOURS, INC.
ACCENT ENTERPRISES, INC.

UND GROUP
G

UNDERWRITTEN

JUL 01 1970

HONOLULU

POLICY NUMBER	INSURED	EFFECTIVE
LC 165 5700	AMFAC INC., ETAL	01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS <i>[Signature]</i> PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT

180009 - 6-65 SETS

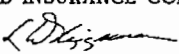
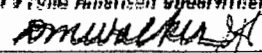
FFIC000327

IT IS AGREED THAT THE LIMITS OF THE COMPANY'S LIABILITY AS
STATED IN PARAGRAPH 111 OF THE POLICY, ARE AMENDED AS FOLLOWS:

COVERAGES A & C \$250,000 EACH PERSON
\$500,000 EACH OCCURRENCE
\$500,000 AGGREGATE

CANCELLED
Effective ☐ SR ☐ FLAT ☒
PR ☐ Return Premium \$ ☐ Non-Pay.
☐ Ins. Req. ☐ Rewritten
☐ Co's. Elec. ☐ Other

ATTACH TO DAILY REPORT - FRONT

POLICY NUMBER LC 165 5700	INSURED AMFAC INC., ETAL	EFFECTIVE 01/01/70
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS  PRESIDENT		PRODUCER AMFAC CONTROLLED BUSINESS 52011777 COUNTERSIGNATURE OF AUTHORIZED AGENT Fireman's Fund American Underwriters of Hawaii, Inc.  PRESIDENT

180009 - 6-65 SETS

FFIC000328

END #29

SAIS

RETROSPECTIVE RATING

IN CONSIDERATION OF PREMIUM CHARGED IT IS AGREED THAT POLICY PARAGRAPH IV, SUPPLEMENTARY PAYMENTS IS AMENDED AS FOLLOWS:

THE FIRST LINE OF THE PARAGRAPH WHICH READS,

"THE COMPANY WILL PAY, IN ADDITION TO THE APPLICABLE LIMITS OF LIABILITY,"

IS DELETED AND THE FOLLOWING WORDS ARE SUBSTITUTED THEREFORE:

"THE COMPANY WILL PAY, WITHIN THE APPLICABLE LIMITS OF LIABILITY:"

UNDERWRITTEN
JUL 19 1972
HONOLULU

ACCEPTED:

NAMED INSURED

NON-MONEY

**UND GROUP
C**

POLICY NUMBER LC 1655700	INSURED AMFAC INC., ETAL	EFFECTIVE 07-01-72
PRODUCER AMFAC CONTROLLED BUSINESS 52011777		COUNTERSIGNATURE OF AUTHORIZED AGENT
FIREMAN'S FUND INSURANCE COMPANY THE AMERICAN INSURANCE COMPANY NATIONAL SURETY CORPORATION ASSOCIATED INDEMNITY CORPORATION AMERICAN AUTOMOBILE INSURANCE COMPANY FIREMAN'S FUND INSURANCE COMPANY OF TEXAS FIREMAN'S FUND INSURANCE COMPANY OF ILLINOIS <i>[Signature]</i> PRESIDENT		

180009-6-65 SETS

FFIC000329

A & G 613a
RETROSPECTIVE PREMIUM ENDORSEMENT — THREE YEAR — PLAN D

This endorsement, effective _____, forms a part of policy No. _____
(12:01 A.M., standard time)

issued to _____

by _____

It is agreed that this endorsement applies to the policies designated in Table I below and renewals thereof affording insurance with respect to the three year period commencing with the effective date of this policy, subject to the following provisions:

1. **Final Premium.** The final premium for such policies is the sum of:
 - (a) the premium for the insurance not subject to Plan D, as specified in Table I, computed in accordance with the provisions of such policies, other than this endorsement, and
 - (b) the premium for the insurance subject to Plan D, as specified in Table I, hereinafter referred to as the retrospective premium.
2. **Retrospective Premium.** The retrospective premium shall be the sum of:
 - (a) the basic premiums for each state,
 - (b) the excess loss premiums for each state, and
 - (c) the converted losses for each state, each multiplied by the applicable state tax multiplier. The retrospective premium shall be subject to the minimum retrospective premium and to the maximum retrospective premium.
3. **Definition of Terms Used in the Computation of the Retrospective Premium.**
 - (a) "Standard premium" means the premium for the insurance subject to Plan D computed in accordance with the provisions of the policies, other than this endorsement and exclusive of the application of any premium discount endorsement.
 - (b) "Basic premiums" means the amounts obtained by applying to each portion of the standard premium the basic premium percentage stated in Table II as applicable thereto.
 - (c) "Excess loss premiums" means the sum of:
 - (1) the amounts obtained by applying to that portion of the standard premium under workmen's compensation and employers' liability policies for each state for which a factor is entered in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, the applicable factor times the applicable loss conversion factor,
 - (2) the amounts obtained by applying to that portion of the standard premium for liability insurance under general liability and automobile liability policies, the factor stated in the Excess Loss Premium Factors (Liability) column of Table I, times the applicable loss conversion factor, and
 - (3) the amounts obtained by applying to that portion of the standard premium for automobile physical damage insurance, the factor stated in the Excess Loss Premium Factors (Physical Damage) column of Table I, times the applicable loss conversion factor.
 - (d) "Incurred losses" means the sum of:
 - (1) all losses, including medical, actually paid;
 - (2) reserves for unpaid losses as estimated by the company;
 - (3) premiums on bonds paid for by the company in accordance with the provisions of the policies;
 - (4) interest accruing after entry of a judgment against the insured;
 - (5) allocated loss adjustment expenses; and
 - (6) expenses incurred in seeking recovery against a third party
 under the insurance subject to Plan D, provided (i) as respects the insurance afforded under any workmen's compensation and employers' liability policy, items (3) and (5) above shall not apply and item (6) shall apply only if recovery is obtained against the third party, and (ii) items (3), (4) and (5) above shall not apply as respects automobile physical damage insurance.
 - (e) "Compensation loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium under the workmen's compensation and employers' liability policies designated in Table I as subject to Plan D, applicable to any state for which a factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, arising out of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by one or more employees in a single accident. For the purpose of this definition, incurred losses arising out of bodily injury by disease, including death at any time resulting therefrom, sustained by any one employee shall be deemed to arise out of a single accident.

If, during the policy period,

 - (i) the insured engages in operations in any state for which this policy affords insurance but for which no factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, and
 - (ii) on the date this endorsement becomes applicable with respect to any such additional state, there is a loss limitation with respect to all states specifically insured under the policy and subject to Plan D, and
 - (iii) the insured is eligible to elect such loss limitation in such additional state,

such loss limitation shall also apply to incurred losses pertaining to such additional state. The excess loss premium factor applicable to such additional state, determined in accordance with the manuals in use by the company, shall be deemed to be entered in Table I.

 - (f) "Combined liability loss limitation," if stated in Table I, means the overall limit of incurred losses to be included in computing the retrospective premium for general liability and automobile liability insurance afforded under any policy designated in Table I as subject to Plan D, arising out of a single accident.
 - (g) "Automobile physical damage loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium for the automobile physical damage insurance afforded under any policy designated in Table I as subject to Plan D, arising out of any one occurrence.
 - (h) "Loss conversion factor" means the factor designated in Table I.
 - (i) "Converted losses" means the incurred losses multiplied by the applicable loss conversion factor.
 - (j) "State tax multiplier" means the applicable factor stated in the State Tax Multiplier Table in Table I.
 - (k) "Minimum retrospective premium" is the amount obtained by the application of the minimum premium percentage stated in Table II to the standard premium.
 - (l) "Maximum retrospective premium" is the amount obtained by the application of the maximum premium percentage stated in Table II to the standard premium.
4. **Payments and Computations of Premium for Insurance Subject to Plan D.**
 - (a) **Standard Premium.** The named insured shall pay the standard premium to the company in accordance with the provisions of the policies, other than this endorsement, specifying the manner of premium payment.
 - (b) **Retrospective Premium.** A computation of the retrospective premium applicable to the first annual period, based upon the standard premium and incurred losses for such period, such losses to be valued as of a date six months after the expiration of such period, shall be made by the company as soon as practicable after such valuation date.
A computation of the retrospective premium, applicable to the first two annual periods, based upon the standard premium and incurred losses for such periods, such losses to be valued as of a date six months after the expiration of the second annual period, shall be made by the company as soon as practicable after such valuation date.
A computation of the retrospective premium, based upon the standard premium and incurred losses for the three year period, such losses to be valued as of a date six months after the expiration of such period, shall be made by the company as soon as practicable after such valuation date.
Such computation of the retrospective premium for the three year period shall be final if (1) all claims have been closed or it is apparent that the retrospective premium will exceed the maximum retrospective premium; and (2) within ninety days from approval of such computation by the organization having jurisdiction, the company, with the agreement of the insured, requests of such organization that the computation be final.
If such computation is not final, a further computation of the retrospective premium, based upon incurred losses valued as of a date eighteen months after termination of the policies, shall be made by the company as soon as practicable after such valuation date. Such further computation shall be final unless, within ninety days from approval of such computation by the organization having jurisdiction, the company or the named insured requests of such organization that a further

- (a) "Standard premium" means the premium for the insurance subject to Plan D computed in accordance with the provisions of the policies, other than this endorsement and exclusive of the application of any premium discount endorsement.
- (b) "Basic premiums" means the amounts obtained by applying to each portion of the standard premium the basic premium percentage stated in Table II as applicable thereto.
- (c) "Excess loss premiums" means the sum of:
- (1) the amounts obtained by applying to that portion of the standard premium under workmen's compensation and employers' liability policies for each state for which a factor is entered in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, the applicable factor, times the applicable loss conversion factor,
 - (2) the amounts obtained by applying to that portion of the standard premium for liability insurance under general liability and automobile liability policies, the factor stated in the Excess Loss Premium Factors (Liability) column of Table I, times the applicable loss conversion factor, and
 - (3) the amounts obtained by applying to that portion of the standard premium for automobile physical damage insurance, the factor stated in the Excess Loss Premium Factors (Physical Damage) column of Table I, times the applicable loss conversion factor.
- (d) "Incurred losses" means the sum of:
- (1) all losses, including medical, actually paid,
 - (2) reserves for unpaid losses as estimated by the company,
 - (3) premiums on bonds paid for by the company in accordance with the provisions of the policies,
 - (4) interest accruing after entry of a judgment against the insured,
 - (5) allocated loss adjustment expenses, and
 - (6) expenses incurred in seeking recovery against a third party
- under the insurance subject to Plan D, provided (i) as respects the insurance afforded under any workmen's compensation and employers' liability policy, items (3) and (5) above shall not apply and item (6) shall apply only if recovery is obtained against the third party, and (ii) items (3), (4) and (5) above shall not apply as respects automobile physical damage insurance.
- (e) "Compensation loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium under the workmen's compensation and employers' liability policies designated in Table I as subject to Plan D, applicable to any state for which a factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, arising out of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by one or more employees in a single accident. For the purpose of this definition, incurred losses arising out of bodily injury by disease, including death at any time resulting therefrom, sustained by any one employee shall be deemed to arise out of a single accident.
- If, during the policy period,
- (i) the insured engages in operations in any state for which this policy affords insurance but for which no factor is shown in the Excess Loss Premium Factors (Workmen's Compensation) column of Table I, and
 - (ii) on the date this endorsement becomes applicable with respect to any such additional state, there is a loss limitation with respect to all states specifically insured under the policy and subject to Plan D, and
 - (iii) the insured is eligible to elect such loss limitation in such additional state,
- such loss limitation shall also apply to incurred losses pertaining to such additional state. The excess loss premium factor applicable to such additional state, determined in accordance with the manuals in use by the company, shall be deemed to be entered in Table I.
- (f) "Combined liability loss limitation," if stated in Table I, means the overall limit of incurred losses to be included in computing the retrospective premium for general liability and automobile liability insurance afforded under any policy designated in Table I as subject to Plan D, arising out of a single accident.
- (g) "Automobile physical damage loss limitation," if stated in Table I, means the limit of incurred losses to be included in computing the retrospective premium for the automobile physical damage insurance afforded under any policy designated in Table I as subject to Plan D, arising out of any one occurrence.
- (h) "Loss conversion factor" means the factor designated in Table I.
- (i) "Converted losses" means the incurred losses multiplied by the applicable loss conversion factor.
- (j) "State tax multiplier" means the applicable factor stated in the State Tax Multiplier Table in Table I.
- (k) "Minimum retrospective premium" is the amount obtained by the application of the minimum premium percentage stated in Table II to the standard premium.
- (l) "Maximum retrospective premium" is the amount obtained by the application of the maximum premium percentage stated in Table II to the standard premium.
4. **Payments and Computations of Premium for Insurance Subject to Plan D.**
- (a) **Standard Premium.** The named insured shall pay the standard premium to the company in accordance with the provisions of the policies, other than this endorsement, specifying the manner of premium payment.
- (b) **Retrospective Premium.** A computation of the retrospective premium applicable to the first annual period, based upon the standard premium and incurred losses for such period, such losses to be valued as of a date six months after the expiration of such period, shall be made by the company as soon as practicable after such valuation date.
- A computation of the retrospective premium, applicable to the first two annual periods, based upon the standard premium and incurred losses for such periods, such losses to be valued as of a date six months after the expiration of the second annual period, shall be made by the company as soon as practicable after such valuation date.
- A computation of the retrospective premium, based upon the standard premium and incurred losses for the three year period, such losses to be valued as of a date six months after the expiration of such period, shall be made by the company as soon as practicable after such valuation date.
- Such computation of the retrospective premium for the three year period shall be final if (1) all claims have been closed or it is apparent that the retrospective premium will exceed the maximum retrospective premium; and (2) within ninety days from approval of such computation by the organization having jurisdiction, the company, with the agreement of the insured, requests of such organization that the computation be final.
- If such computation is not final, a further computation of the retrospective premium, based upon incurred losses valued as of a date eighteen months after termination of the policies, shall be made by the company as soon as practicable after such valuation date. Such further computation shall be final unless, within ninety days from approval of such computation by the organization having jurisdiction, the company or the named insured requests of such organization that a further computation be authorized. Any subsequent computations, to be made only at intervals of twelve months, shall each be subject to a similar procedure.
- If the named insured disposes of his entire interest in the operations covered by the policies, or makes an assignment for the benefit of creditors, or is in a legal proceeding reorganized or declared bankrupt or insolvent, and if the retrospective premium as of the date of such change of status is greater than the standard premium for insurance to such date, the company may compute the retrospective premium as of such date, as soon as practicable thereafter.
- After each computation, if the premium thus computed exceeds the premium paid for insurance subject to Plan D, the named insured shall pay the difference to the company; if less, the company shall return the difference to the named insured.
5. **Cancellation.**
- The cancellation or non-renewal, prior to the end of the three year period, of any policy designated in Table I shall be deemed to be cancellation of the retrospective rating plan, and the premium for insurance subject to Plan D for the period such policies have been in force shall be computed in accordance with the other provisions of this endorsement, provided:
- (a) **Cancellation by the named insured.** In the event of cancellation by the named insured, (1) the standard premium shall be computed as the sum of the audited standard premium for all completed annual periods and the short rate standard premium for the period in which cancellation is effective; the minimum retrospective premium shall be the standard premium so computed; (2) in computing the maximum retrospective premium, the standard premium shall be computed as the sum of the audited standard premium to the date of cancellation and the estimated standard premium from the date of cancellation to the end of the three year period.
 - (b) **Cancellation by the company.** In the event of cancellation by the company because of non-payment of premium by the named insured, the maximum retrospective premium shall be computed on the basis of the audited standard premium from the beginning of the three year period to the date of cancellation and the estimated standard premium for the balance of the three year period.
 - (c) **Cancellation of part of insured's operations.** Neither the insured nor the company may cancel the insurance applying to a part of the operations of the insured.
6. **Revision of Tax Multipliers or Excess Loss Premium Factors.** Subject otherwise to the provisions of the first paragraph of condition I of the policy, if during any annual period included in the three year period, any Tax Multiplier or Excess Loss Premium Factor designated in Table I is revised, any such revised Tax Multiplier or Excess Loss Premium Factor shall be applicable with respect to this endorsement as of the commencement of the next annual period which is on or after the effective date of such revision.

(over)

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Contractual Liability Endorsement (if made a part of any general liability policy designated in paragraph 1 above)

The incurred losses to be included in computing the premium for the insurance subject to Plan D shall not include that portion of the losses actually paid and the reserves for unpaid losses which is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest accruing after entry of judgment, allocated loss adjustment expenses and expenses incurred in seeking recovery against a third party shall not be subject to such limits. The aggregate limits of liability stated above apply separately to each annual period included in the three year period.

4. Combined Liability Loss Limitation is \$
5. Compensation Loss Limitation is \$ **25,000**
6. Automobile Physical Damage Loss Limitation is \$
7. Loss Conversion Factor is **1.142**
8.

Table II — Percentages to Determine Basic, Minimum, and Maximum Premiums

The basic premium, the minimum premium, and the maximum premium for insurance subject to Plan D are percentages of the standard premium for such insurance. Such percentages are computed initially upon an estimate of the standard premium and finally upon the earned standard premium for such insurance. If the standard premium lies between any two of the figures on the "Standard Premium" line, the percentages applicable shall be obtained by linear interpolation to the nearest one-tenth of 1%.

PERCENTAGES OF STANDARD PREMIUM



Authorized Representative

BINDER N^o 52575
ACB



☐ FIREMAN'S FUND INSURANCE CO.
☐ NATIONAL SURETY CORPORATION

The Company or Companies checked above hereby acknowledge themselves bound, subject to all the terms, conditions and agreements of the Company's (ies) present form of policy (ies) not inconsistent herewith for such coverages as are indicated by the insertion of a premium charge or the word "bound" in the appropriate column below.

Name and Address of Insured or Employer

**AMFAC, INC. including all Subsidiary and
745 Fort Street Affiliated Companies
Honolulu, Hawaii**

Location of Property, Description of Operations, Business Conducted

All locations and operations worldwide.

KIND OF INSURANCE	LIMITS OF LIABILITY	INSERT PREMIUM OR "BOUND"
WORKMEN'S COMPENSATION	Statutory	
EMPLOYERS' LIABILITY	thousand dollars, each person thousand dollars, each accident	
BODILY INJURY LIABILITY Other Than Automobile*	thousand dollars, each person thousand dollars, each accident thousand dollars, aggregate products	
MEDICAL PAYMENTS Other Than Automobile	\$ each person thousand dollars, each accident	
PROPERTY DAMAGE LIABILITY Other Than Automobile*	thousand dollars, each accident thousand dollars, aggregate operations thousand dollars, aggregate protective thousand dollars, aggregate products thousand dollars, aggregate contractual	
OTHER (Insert Form of Coverage) supercover (Blanket Excess Liability)	\$10,000,000 each occurrence \$10,000,000 aggregate	BOUND
AUTO: Bodily Injury Liability*	thousand dollars, each person thousand dollars, each accident	
Property Damage Liability*	thousand dollars, each accident	
Medical Payments	\$ each person	
Comprehensive—Loss of or Damage to the Automobile, Except by Collision or Upset but including Fire, Theft and Windstorm	Actual Cash Value Unless Otherwise Stated Herein	
Collision or Upset	Actual Cash Value less \$ deductible	
Fire, Lightning and Transportation	Actual Cash Value Unless Otherwise Stated Herein	
Theft (Broad Form)	\$	
Windstorm, Hail, Earthquake or Explosion	\$	
Combined Additional Coverage	\$	
Towing and Labor Costs	\$25 for each disablement	
Year	Trade Name	Body Type
		Serial or Motor Number
		Schedule Additional Automobiles on Reverse Side

* If Comprehensive, so state. If not Comprehensive, for "other than Auto", list form such as OLY, ELEV., etc.

Special Conditions, Coverages or Limitations **Coverage is Bound on Company's policy form #HL 250 - amended as agreed - for the limits of liability stated above which is excess of various primary policies carried by the Insured and excess of a \$25,000 self insured retention where coverage is afforded by form HL 250 and there is no underlying coverage.**

Binder Period: From **October 11, 1967** to **December 11, 1967** (8 o'clock A.M. 1967)
standard time at the address of the Insured as stated herein.)

This binder may be canceled at any time by the Insured. It may be canceled at any time by the Company by mailing to the named Insured at the address shown above written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

Premium charge will be made in compliance with the Company's rules and rates for the time the binder is in effect if no policy of insurance in place hereof is issued and accepted by the named Insured. The issuance of such a policy shall void this binder.

Countersignature date.....

Broker or Agent **FIREMAN'S FUND INSURANCE COMPANY**

This binder is not valid unless countersigned by a duly authorized agent of the Company.

By.....

AUTHORIZED AGENT

NOTE: A copy of each Binder must be forwarded to the Company the day it is issued. Agents will be required to account for each Binder entrusted to their care.

FIREMAN'S FUND INSURANCE COMPANY



A STOCK COMPANY
HOME OFFICE: SAN FRANCISCO, CALIFORNIA

XL- 34764

BLANKET EXCESS LIABILITY POLICY

DECLARATIONS

1. Named Insured: **ANPAC Inc., et al as endorsement #1.**
2. Address: **745 Fort Street, Honolulu, Hawaii**
3. Policy Period: From **October 11th, 1967** To **October 11th, 1968**
12.01 A.M. Standard Time at address of named insured.
4. Limit of Liability: **\$ 10,000,000** each occurrence
\$ 10,000,000 aggregate
5. Insured's Retention: **\$ 25,000** each occurrence
6. Advance Premium: **\$ 22,367.00** Annual Minimum Premium: **\$ 22,367.00**

Basis of Premium: **Flat Charge**

In the event of cancellation by the named insured, the company shall receive and retain not less than **\$ 5,000** as the Policy Minimum Premium.

7. Schedule of Primary Policies:
(Primary Insurer, Policy No., Policy Period, Type of Policy, Limits of Liability) **As endorsement #2.**

COUNTERSIGNATURE DATE

AUTHORIZED AGENT

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, humiliation or discrimination, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

injury to or destruction of tangible property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any executive officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

- (c) any person or organization, except the named insured or other insured under this policy, included as an additional insured in any primary policy, but only to the extent that insurance is afforded to such person or organization under such primary policy;
- (d) with respect to the ownership, maintenance or use of automobiles, including loading and unloading thereof, any person or organization while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with the named insured's permission, and any executive officer, director or stockholder of the named insured with respect to the use of a non-owned automobile in the business of the named insured. The insurance with respect to any person or organization other than the named insured does not apply under this division (d);
 - (1) to any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any occurrence arising out of the operation thereof;
 - (2) with respect to any hired automobile, to the owner or lessee thereof other than the named insured, or to any agent or employee of such owner or lessee;
 - (3) with respect to any non-owned automobile, to any executive officer, director or stockholder if such automobile is owned by him or a member of the same household;

Provided that parts (2) and (3) of this division (d) shall not apply to the extent that insurance is afforded to any such person under division (c) above;

- (e) (1) if insurance is afforded under this policy with respect to aircraft owned by the named insured or hired by the named insured without pilot, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner or lessee thereof other than the named insured or any agent or employee of such owner or lessee;
- (2) as respects any aircraft chartered with pilot by or in behalf of the named insured or any other aircraft not owned or hired by the named insured and otherwise used in behalf of the named insured in the named insured's business, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner, pilot or aircrew thereof or other person operating the aircraft;

Provided the insurance afforded to any person or organization other than the named insured does not apply under this division (e) to any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof.

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement.

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

- (1) "Automobile" means a land motor vehicle, trailer or semi-trailer.
- (2) "Owned Automobile" means an automobile owned by the named insured.
- (3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.
- (4) "Non-owned automobile" means any other automobile.

(c) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(d) Occurrence

With respect to Coverages A & B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, causes personal injury or property damage neither expected nor intended from the standpoint of the insured. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(e) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(f) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(g) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (c) and exclusion (d) below;
- (b) under Coverages A, B & C, except insofar as coverage is available to the insured under primary policies, to liability assumed by the insured under contract;

- (c) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;
- (d) under Coverage A, to any employee as an insured with respect to injury or death of another employee of the same employer, injured in the course of such employment;
- (e) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (f) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (g) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (h) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final

settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

5. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

6. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance, except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 5 preceding, expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

7. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

8. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

9. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

10. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

11. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

12. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

13. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

14. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die or be adjudged bankrupt or insolvent or any other discontinuance of an insured as a legal entity within the policy period, this policy, unless cancelled, shall

cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

15. CANCELLATION

This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than sixty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

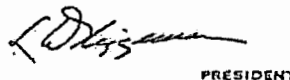
If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

16. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured represents that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.


SECRETARY


PRESIDENT

COUNTERSIGNATURE DATE

AUTHORIZED AGENT



AMFAC Inc.
Policy # XL-34764
Endorsement #1

Declaration #1. Named Insured, is completed to read -

- (a) AMFAC, INC., and
- (b) Subsidiaries of AMFAC, INC., and
- (c) any companies which are under operating control of AMFAC, INC., or its subsidiaries, and
- (d) any partnership or joint venture under operating control of AMFAC, INC. or its subsidiaries, unless specifically excluded by endorsement.
- (e) any of above as respects their liability arising out of membership in any joint venture or partnership.

Coverage afforded by this policy to (d) and (e) above is applicable only insofar as coverage is available to the insured under primary policies.

AMFAC Inc.
Policy # XL-34764
Endorsement #2

Declaration #7. Schedule of Primary Policies, is completed to read:

- (a) Fireman's Fund Insurance Company; Policy # ; effective March 31, 1968; Special Comprehensive Liability policy; Limits of Liability - Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence; Annual aggregate \$1,000,000 applicable to Products Hazard-Completed Operations,
- (b) American Foreign Insurance Association; policy number - to be identified; effective March 31, 1968; same policy terms and conditions as Fireman's Fund (a) above and this policy limited to accidents arising outside the United States in respect of which suits are originally brought in jurisdictions outside the United States; Limits of Liability: Bodily Injury and Personal Liability combined, \$500,000 per person, \$1,000,000 each occurrence; Annual aggregate \$1,000,000 applicable to Products Hazard-Completed Operations,
- (c) Fireman's Fund Insurance Company; Policy Nos. GCL0001254, CGL0001254, PC10324318, PC10324318, LA0652581, AS1666062, LA0652584, LS1177730, LA0652587, LA0652578, LA06553504, L1355135, L1328936, L1328895, L1328865, LS1177729, PC1324500, PC1324517, LG6466, L1355171; policy period as originally issued and/or as extended up to March 31, 1968; to be interpreted as identical terms and conditions of policy identified in (a) above,
- (d) Fireman's Fund Insurance Company, Policy #SR50240; November 30, 1967 to November 30, 1968; Ship Repairers Liability; Limits of Liability: \$300,000 each occurrence,
- (e) Underwriters at Lloyd's; Policy Nos. 0040528, 42061, 35647; October 1, 1967 to November 12, 1968; Broad Form Property Damage Liability issued in name of Iweld Manufacturing Co.; Limits of Liability: \$250,000 each occurrence,
- (f) Fireman's Fund Insurance Company; Policy # HWC0001967; January 1, 1966 to January 1, 1967 or renewal thereof; Statutory Workmen's Compensation; Limits of Liability: Statutory.
- (g) Fireman's Fund Insurance Company; Policy # TP60644; Expiration March 1, 1969; Comprehensive Liability policy; Limits of Liability: B.I. and P.D. combined \$1,000,000;

Eagle Star Insurance Company; Policy # ESX10038; Expiration May 1, 1969; Excess; Limits of Liability: \$1,500,000 excess of \$1,000,000 each occurrence.
These policies issued to Silverado Properties.

- (h) Employers Liability Assurance Corp. Ltd.;
Policy # - to be identified; July 1, 1966 to July 1, 1969;
Comprehensive General Liability; Limits of Liability:
Personal Injury \$100,000 each person, \$300,000 each
occurrence, \$300,000 aggregate; Property Damage \$100,000
each occurrence, \$100,000 aggregate, except automobile
Property Damage with \$50,000 each occurrence;
Employers liability \$25,000 each accident.

Employers Liability Assurance Corp. Ltd;
Policy # E10-8011-003; July 1, 1966 to July 1, 1969;
Excess Liability; Limits of Liability: \$2,000,000 each
occurrence, \$2,000,000 aggregate excess of limits shown
above or \$10,000 self insured retention.
These policies issued to American Factors Associates Ltd.
dba Silver Engineering Works Inc. and Silver Steel Co.,
Denver, Colorado.

Fireman's Fund Insurance Company (herein called the company) agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

INSURING AGREEMENTS

I. COVERAGE

To pay on behalf of the insured the ultimate net loss for which the insured shall become obligated to pay by reason of liability imposed on the insured by law or assumed by the insured under contract on account of:

A. Personal injury liability -

bodily injury, sickness or disease, including death at any time resulting therefrom, shock, mental anguish or emotional upset, false arrest, false imprisonment, wrongful detention, malicious prosecution, wrongful entry, wrongful eviction, humiliation or discrimination, and, except in connection with or arising out of advertising activities by or on behalf of the insured, libel, slander, defamation of character, or invasion of privacy, all hereinafter referred to as personal injury;

B. Property damage liability -

Injury to or destruction of corporeal property, including loss of use thereof, hereinafter referred to as property damage; or

C. Advertising liability -

libel, slander, defamation of character, invasion of right of privacy, infringement of copyright, unfair competition, piracy of trade secrets, or interference with property or contract rights in the conduct of advertising activities by or on behalf of the insured.

II. INSURED

The unqualified word "insured" includes the named insured and also includes

(a) except with respect to the ownership, maintenance or use, including loading and unloading, of automobiles while away from premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, or of aircraft,

(1) any executive officer, other employee, director or stockholder thereof while acting within the scope of his duties as such, and

(2) any organization or proprietor with respect to real estate management for the named insured;

(b) any person or organization for whose benefit the named insured has agreed in writing to obtain insurance such as is afforded by this policy, but only with respect to the liability of such person or organization arising out of operations by or in behalf of the named insured or premises or other facilities owned or used by the named insured;

- (c) any person or organization, except the named insured or other insured under this policy, included as an additional insured in any primary policy, but only to the extent that insurance is afforded to such person or organization under such primary policy;
- (d) with respect to the ownership, maintenance or use of automobiles, including loading and unloading thereof, any person or organization while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with the named insured's permission, and any executive officer, director or stockholder of the named insured with respect to the use of a non-owned automobile in the business of the named insured. The insurance with respect to any person or organization other than the named insured does not apply under this division (d):
 - (1) to any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any occurrence arising out of the operation thereof;
 - (2) with respect to any hired automobile, to the owner or lessee thereof other than the named insured, or to any agent or employee of such owner or lessee;
 - (3) with respect to any non-owned automobile, to any executive officer, director or stockholder if such automobile is owned by him or a member of the same household;

Provided that parts (2) and (3) of this division (d) shall not apply to the extent that insurance is afforded to any such person under division (c) above;

- (e) (1) if insurance is afforded under this policy with respect to aircraft owned by the named insured or hired by the named insured without pilot, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner or lessee thereof other than the named insured or any agent or employee of such owner or lessee;
- (2) as respects any aircraft chartered with pilot by or in behalf of the named insured or any other aircraft not owned or hired by the named insured and otherwise used in behalf of the named insured in the named insured's business, any person while using such aircraft and any person or organization legally responsible for the use thereof, except the owner, pilot or aircrew thereof or other person operating the aircraft;

Provided the insurance afforded to any person or organization other than the named insured does not apply under this division (e) to any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof.

III. LIMIT OF LIABILITY

The company shall be liable only for ultimate net loss in excess of:

- (1) the limit or limits of liability of the applicable primary policy or policies, or
- (2) as respects any claim or suit to which no primary policy applies, the greater of either
 - (a) the applicable limit or limits of liability of any other insurance available to the insured, or
 - (b) the amount stated in the declarations as the Insured's Retention, which shall be considered self insurance within the meaning of this insuring agreement.

and then only for such further amount so as to bring the total amount of all insurance up to the limit of liability stated in the declarations as applicable to "each occurrence" for all ultimate net loss as the result of any one occurrence; provided, however, in the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under said primary policy or policies, solely by reason of losses paid thereunder on account of occurrences during this policy period, this policy shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder, and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

Subject to the foregoing limit of liability as respects each occurrence, the limit of liability stated in the declarations as "aggregate" shall be the total limit of the company's liability for all ultimate net loss during each annual period of this policy because of

- (a) personal injury arising out of the Products - Completed Operations Hazard, as defined;
- (b) property damage; or
- (c) liability arising out of advertising activities, whenever occurring or by whatever media,

on account of all occurrences happening during each annual period of this policy, provided that such aggregate limit of liability shall apply separately to (a), (b) and (c) above.

IV. POLICY PERIOD

This policy applies only to occurrences that take place during the policy period provided that, with respect to any advertising activities for which insurance is afforded by this policy, if any one occurrence began prior to the policy period and continues during or after the policy period, the company's liability with respect to ultimate net loss arising out of such occurrence shall be in the proportion that the number of injurious acts or uses of such material during the policy period bears to the total number of acts or uses thereof.

DEFINITIONS

(a) Aircraft

"Aircraft" means any heavier than air or lighter than air aircraft designed to transport persons or property.

(b) Automobile

(1) "Automobile" means a land motor vehicle, trailer or semi-trailer.

(2) "Owned automobile" means an automobile owned by the named insured.

(3) "Hired automobile" means an automobile used under contract in behalf of or loaned to the named insured, provided such automobile is not owned by or registered in the name of (i) the named insured or (ii) an executive officer thereof or (iii) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile.

(4) "Non-owned automobile" means any other automobile.

(c) Contract

"Contract" means any written contract or agreement, entered into by the insured in the usual course of the insured's business operations, except an agreement with a railroad other than an easement, sidetrack or lease of premises agreement.

(d) Expenses

"Expenses" means legal costs and all other expenses incurred in the investigation, negotiation, settlement and defense of claims or suits, excluding employee salaries and office expenses incurred in connection with such investigation, negotiation, settlement or defense. "Legal costs" means attorney fees, court costs, interest on any judgment or award, appeal costs and other expenses in the conduct of litigation.

(e) Occurrence

With respect to Coverages A and B, "occurrence" means an event or a continuous or repeated exposure to conditions which, during the policy period, unexpectedly and unintentionally causes personal injury or property damage. All such personal injury or property damage arising out of exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

With respect to Coverage C, "occurrence" means an act or series of acts in which the same or similar advertising material is used regardless of the number or kind of media used. All damages involving the same injurious material or act, regardless of the frequency of repetition thereof, the number or kind of media used, or the number of claimants shall be deemed to arise out of one occurrence.

(f) Primary Policy

"Primary policy" or "primary policies," sometimes herein called "primary insurance," means the underlying policy or policies of insurance listed in the schedule forming part of the declarations.

(g) Products - Completed Operations Hazard

"Products - Completed Operations Hazard" means

- (1) goods or products manufactured, sold, handled, or distributed by the named insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from premises owned, rented or controlled by the named insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be operations within the meaning of this paragraph: (i) pickup or delivery, except from or onto a railroad car; (ii) the maintenance of vehicles owned or used by or on behalf of the insured; (iii) the existence of tools, uninstalled equipment and abandoned or unused materials.

(h) Ultimate Net Loss

"Ultimate net loss" means all sums actually paid, or which the insured is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded by this policy, after proper deduction of all recovery or salvage, on account of personal injury, property damage or advertising liability, and includes expenses, as hereinafter defined, incurred by the insured with the company's written consent in the investigation, negotiation, settlement and defense of any such claim or suit to which no primary insurance applies.

EXCLUSIONS.

This policy does not apply:

- (a) under Coverages A & B, except insofar as coverage is available to the insured under primary policies, to the ownership, maintenance, operation, use, loading or unloading of (1) watercraft while away from premises owned, rented or controlled by the named insured, or (2) aircraft owned by the insured or hired by the insured without pilot; provided that part (1) of this exclusion shall not apply to liability of the insured arising out of operations performed by independent contractors nor to liability assumed by the insured under contract, and neither part (1) nor part (2) shall apply to liability for personal injury sustained by an employee of the named insured, subject, however, to the provisions of exclusion (b) and exclusion (c) below;
- (b) under Coverage A, except with respect to liability assumed by the insured under contract, to any obligation for which the insured or any of his insurers may be held liable under any workmen's compensation, unemployment compensation, disability benefits or similar law;

- (c) under Coverage A, to any employee as an insured with respect to injury to or death of another employee of the same employer, injured in the course of such employment;
- (d) under Coverage B, to injury to or destruction of (1) property owned by the insured or purchased by the insured under installment sales contract or on consignment to the insured, (2) aircraft rented to, used by or in the care, custody or control of the insured, or (3) any goods, products or containers thereof manufactured, sold, handled or distributed by the insured, or work completed by or for the insured, out of which the occurrence arises;
- (e) under Coverage B, to liability assumed by the insured under any contract for any injury to or destruction of property rented to, occupied by or, except with respect to liability under railroad sidetrack agreements, used by or in the care, custody or control of the insured unless such liability would have been covered by this policy in the absence of such a contract;
- (f) under Coverage B, to claims for (1) repairing or replacing any defective product, or part thereof, manufactured, sold or supplied by the insured, nor for the cost of such repair or replacement, (2) loss of use of any such defective product or part thereof, or (3) improper or inadequate performance, design or specifications, or inefficiency, or inefficacy of any such product or part thereof; provided part (3) of this exclusion shall not apply to property damage (to other than the product itself) resulting therefrom;
- (g) under Coverage C, to liability for (1) failure of performance of contract, (2) infringement of registered trade mark, service mark, trade name, patent or patent pending, or (3) incorrect description or mistake in advertised price of any article or commodity.

CONDITIONS

1. PREMIUM

The premium for this policy shall be computed upon the basis stated in the declarations. The advance premium stated in the declarations, unless otherwise specified, is an estimated premium only. Upon termination of this policy the earned premium shall be computed and if the earned premium is more than the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion, subject to the annual minimum premium stated in the declarations for each twelve months of the policy period, and subject further to the policy minimum premium as stated in the declarations.

2. INSPECTION AND AUDIT

The company shall be permitted at all reasonable times to inspect the insured premises, operations, automobiles, aircraft, elevators and all other equipment and subject matter of the insurance afforded by this policy, and to examine the named insured's books and records at any time during the policy period and within three years after termination of the policy for the purpose of determining the actual premium earned, and within three years after final settlement of all claims insofar as such books and records relate to any occurrence which took place during the policy period.

3. SEVERABILITY OF INTERESTS

The term "insured" is used severally and not collectively, but the inclusion in this policy of more than one insured shall not operate to increase the limits of the company's liability.

4. NOTICE OF OCCURRENCE

When an occurrence takes place with respect to which no primary insurance applies, or, if there is primary insurance applicable, which is reasonably likely to give rise to a claim under this policy, written notice shall be given by or on behalf of the insured to the company or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the insured and reasonably obtainable information concerning the time, place and circumstances of the occurrence and all pertinent details. The insured shall give like notice of any claim or suit on account of such occurrence and shall immediately forward to the company every demand, notice, summons or other process received by him or his representative, together with copies of reports of investigations made by the insured with respect to such claim or suit.

6. ASSISTANCE AND COOPERATION OF THE INSURED

Where insurance is available to the insured under any primary policy, the company, although without obligation to do so, shall have the right and opportunity to associate with the primary insurer in the defense and control of any claim or suit reasonably likely to involve the company under this policy. Where this policy applies as primary insurance, on account of the exhaustion of the aggregate limits of liability of the primary policies, the company shall assume charge of the settlement or defense of any claim or suit against the insured. In either event, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in effecting settlements, securing and giving evidence and, if the company should so elect, in the conduct of suits.

The insured shall cooperate with the primary insurers as required by the terms of the primary policies and comply with all terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person or organization who may be liable to the insured because of personal injury, property damage or advertising liability with respect to which insurance is afforded under this policy and the primary policies.

The insured shall be responsible for the settlement or defense of any claim or suit against the insured which no primary insurer is obligated to defend. The insured shall use due diligence and prudence to settle all such claims and suits which in the exercise of sound judgment should be settled, provided, however, that the insured shall make no settlement for any sum in excess of the Insured's Retention nor undertake any expense which together with the amount of such settlement will exceed the Insured's Retention without the approval of the company. When in the judgment of the company an occurrence may involve ultimate net loss in excess of the Insured's Retention, the company may elect at any time to assume complete control of the investigation, settlement and defense of all claims and legal proceedings in connection therewith.

7. PAYMENT OF EXPENSES

Where the company assumes charge of the settlement or defense of any claim or suit against the insured on account of the exhaustion of the aggregate limits of liability of the primary policies, all expenses in connection therewith shall be payable by the company.

No expenses shall be payable by the company which are included in any other insurance, except if the company associates with a primary insurer in the defense and control of a claim or suit as provided in Condition 6 preceding. expenses of settlement, investigation, negotiation, or defense of any such claim or suit shall be apportioned between the company and such primary insurer in the proportion of their respective interests in the payment of money damages as finally determined.

No expenses which are otherwise payable by the company or included in the insurance afforded under this policy shall be incurred on behalf of the company without its prior consent.

8. APPEALS

In the event the insured or any primary insurer elects not to appeal a judgment in excess of the amount of the primary insurance or the Insured's Retention, as the case may be, the company may elect to appeal at its expense and shall be liable for the expenses incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the amount set forth in the declarations and Insuring Agreement III for any one occurrence plus the expenses incidental to such appeal.

9. LOSS PAYABLE

The company shall be liable for payment under this policy only after the insured has paid or become obligated to pay the amount of the Insured's Retention, or the insured and the insurers affording coverage under the primary policies or any other applicable insurance underlying this policy have paid or become obligated to pay the applicable amount or amounts of such insurance following final judgment against the insured after actual trial or written agreement of the insured, the claimant and the company. Any claim against the company by the insured under this policy shall be made within twelve months after the insured shall have paid or become obligated to pay an ultimate net loss in excess of the Insured's Retention or in excess of the amount of the primary insurance or other valid and collectible insurance. If any subsequent payments are made or required to be made by the insured on account of the same occurrence, additional claims shall be similarly made from time to time. All losses covered under this policy shall be due and payable by the company within 30 days after they are respectively claimed and proof of loss filed with the company in conformity with this policy. Bankruptcy or insolvency of the insured shall not relieve the company of any of its obligations hereunder.

10. OTHER INSURANCE

If there is other valid and collectible insurance available to the insured, other than the primary policies described in the schedule of the declarations, and except for insurance purchased by the insured to apply specifically as excess insurance over the insurance afforded by this policy, the insurance hereunder shall apply as excess of and not as contributory with such other insurance.

Except for the primary policies, if the insured has other insurance with this company covering a loss also covered by this policy, the insured must elect which policy shall apply and the company shall be liable under the policy so elected and shall not be liable under any other policy.

11. UNDERLYING INSURANCE

It is warranted by the insured that the primary policies described in the schedule of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the period of this policy, except for reduction of aggregate limits solely as a result of payment of claims arising out of occurrences during this policy period. If such policies are not maintained in force by the insured, the insurance afforded by this policy shall apply in the same manner as though such policies had been so maintained.

12. SUBROGATION

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

Any amount recovered as subrogation shall be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the company, the company shall bear the expenses thereof.

13. ARBITRATION

Except as respects a lease of premises, an easement agreement other than in connection with a railroad grade crossing, an elevator or escalator maintenance agreement or an agreement required by municipal ordinance other than in connection with work for the municipality, the company shall not be liable under this policy for damages awarded in arbitration except in an arbitration proceeding wherein an indemnitee under a written contract or agreement seeks damages against the insured on account thereof and wherein the company is entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such arbitration proceedings.

14. CHANGES

Notice to or knowledge possessed by any agent or any other person shall not effect a waiver or change in any part of this policy or estop the company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

15. ASSIGNMENT

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall cover the named insured's legal representative for the unexpired portion of such period, provided that notice of cancellation addressed to the named insured and mailed to the address shown in the declarations shall be sufficient notice to effect cancellation of the policy.

16. CANCELLATION

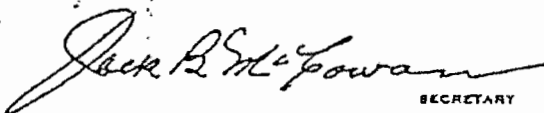
This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents, or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in the declarations written notice stating when not less than thirty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing. If the named insured cancels, the earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, the earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter. Payment or tender of unearned premium is not a condition of cancellation. In the event of cancellation, the earned premium shall in no case be less than the annual minimum premium stated in the policy declarations, subject to the policy minimum premium also stated in the declarations.

If this policy insures more than one named insured, cancellation may be effected by the first named insured for the account of all and notice of cancellation by the company to such first named insured shall be notice to all insureds. Payment of any unearned premium to the first named insured shall be for the account of all interests in such payment.

17. WORKMEN'S COMPENSATION WARRANTY

With respect to personal injury to or death of any employee arising out of and in the course of his employment by the named insured, it is a condition to the recovery of any loss under this policy and the named insured warrants that it has not abrogated and will not abrogate its common law defenses under any workmen's compensation law by rejection of such law or otherwise. In the event the named insured shall, at any time during the policy period, abrogate such defenses, such insurance as is afforded for personal injury with respect to such employees shall automatically terminate at the same time.

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary but this Policy shall not be valid unless countersigned by a duly authorized Agent of the Company.


SECRETARY


PRESIDENT

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Schedule F

MORAN SUPPLY
INSURANCE POLICIES

1. Business Comprehensive Policy; American and Foreign Insurance Company
(Royal Globe)
AYA 89 83 46
Expiration Date: August 1, 1976
2. Workmen's Compensation; Industrial Indemnity
CU 748-4909
Expiration Date: January 1, 1977
3. Umbrella Liability Policy; American Home Assurance
BE 337 99 24
Expiration Date: August 7, 1976
4. Aircraft Policy; U. S. Aircraft Insurance Group
360 - 55109
Expiration Date: September 18, 1976
5. Pension and Welfare
Fiduciary Responsibility
Insurance; Aetna Life and Casualty
005 FF 307 BCA
Expiration Date: October 1, 1976
6. Split Dollar Life Insurance New York Life Insurance Company
Policy # 1. 31 539 477
2. 31 539 215
3. 31 541 279
4. 31 539 046
7. Life Insurance Lincoln National Life Insurance Company
Policy # 1. 64-1774279
2. 64-1774278
3. 64-1774277
4. 64-1774276
5. 64-1775560